

Schwartz & Freeman

1-353A051

LAW OFFICES

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17636  
FEB 14 1992

December 17, 1991

DEC 19 1991 3 10 PM

INTERSTATE COMMERCE COMMISSION

Office of the Secretary  
Interstate Commerce Commission  
Washington D.C. 20423

Re: Lien on Certain Locomotives  
National Railway Leasing Company, Debtor  
LaSalle National Bank, Secured Party

Dear Mr. Secretary:

I have enclosed an original and one copy of the document described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Loan and Security Agreement and is a primary document dated December 18, 1991. The names and addresses of the parties to the documents are as follows:

Debtor

National Railway Equipment Co.  
an Illinois Corporation  
14400 S. Robey Street  
P.O. Box 2270  
Dixmoor, IL 60426

Secured Party

LaSalle National Bank  
120 South LaSalle Street  
Chicago, Illinois 60603

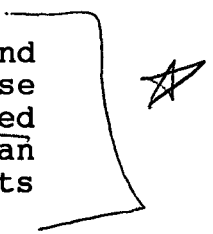
A description of the locomotive equipment covered by the document follows:

DEC 19 3 05 PM '91

# Schwartz & Freeman

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Office of the Secretary  
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Included in the property covered by the aforesaid Loan and Security Agreement are locomotive equipment intended for use related to interstate commerce, or interests therein, owned by National Railway Equipment Co. at the date of said Loan and Security Agreement or thereafter acquired by it or its successors as owners. 

A fee of \$16.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to Kathleen Finefrock, Schwartz & Freeman, 401 N. Michigan Avenue, Suite 1900, Chicago, Illinois 60611.

A short summary of the document to appear in the index follows:

A Loan and Security Agreement as security for a loan of certain locomotive equipment owned by National Railway Equipment, as mortgagor, and LaSalle National Bank as mortgagee.

Attached also is an Affidavit executed by the attorney in fact for LaSalle National Bank and appropriately notarized declaring that the copies transmitted herewith have been compared to the original and have been found to be complete and identical in all respects to the original document.

Very truly yours,

LASALLE NATIONAL BANK

By: Kathleen A. Finefrock  
Kathleen A. Finefrock

Its Attorney and Agent in Fact

RFL:mds  
Attachments

STATE OF ILLINOIS   )  
                                  )  
COUNTY OF C O O K   )

The undersigned states that she has read a true copy of the original document and that the document attached hereto is a complete and identical document in all respects to the original.

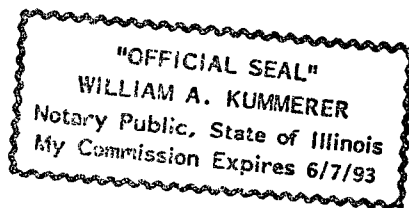
The undersigned has compared the copy with the original and has found the copy to be complete and identical in all respects to the original document.

This Affidavit is made pursuant to the procedures in Section 117.3(2)(b) relative to the recordation of documents with the Interstate Commerce Commission.

Kathleen B. Friefisch  
Affiant

SUBSCRIBED AND SWORN to  
before me this 18th day  
of December, 1991.

William A. Kummerer  
Notary Public



NATIONAL RAILWAY EQUIPMENT COMPANY  
COMBINED INVENTORY  
OCTOBER 31, 1991

	DESCRIPTION	LOCATION	S/N
1EA	6-251-B ALCO ENGINE	DIXMOOR	6471
1EA	8-251-D ALCO ENGINE	DIXMOOR	9207
1EA	8-251-F ALCO ENGINE	DIXMOOR	9209
1EA	16-251-F ALCO ENGINE	SILVIS	E75
3EA	ALCO GENERATOR SETS (JV)	HOUSTON	
1EA	NORDBERG GEN SETS (JV)	NEW ZEALAND	
1EA	7FDL16 GE ENGINE	SILVIS	165109
1EA	7FDL16 GE BLOCK	DIXMOOR	165142
1EA	7FDL16 GE ENGINE	SILVIS	165334
1EA	7FDL16 GE ENGINE	AVENUE O	209236009
1EA	7FDL16 GE ENGINE	AVENUE O	214587
1EA	7FDL16 GE ENGINE	AVENUE O	214929
1EA	7FDL16 GE BLOCK	DIXMOOR	215040
1EA	7FDL16 GE ENGINE	AVENUE O	215171
1EA	7FDL16 GE BLOCK	DIXMOOR	215197
1EA	7FDL16 GE ENGINE	SILVIS	215227
1EA	7FDL16 GE ENGINE	DIXMOOR	215246
1EA	7FDL16 GE BLOCK	DIXMOOR	215432
1EA	7FDL16 GE BLOCK	DIXMOOR	215460
1EA	7FDL16 GE ENGINE	SILVIS	235695
1EA	7FDL16 GE ENGINE	DIXMOOR	235730
1EA	7FDL16 GE ENGINE	DIXMOOR	235978
1EA	7FDL16 GE ENGINE	AVENUE O	235933
1EA	7FDL16 GE ENGINE	SILVIS	236011
1EA	7FDL16 GE ENGINE	SILVIS	236040
1EA	7FDL16 GE ENGINE	SILVIS	236173
1EA	7FDL16 GE ENGINE	DIXMOOR	249334
1EA	7FDL16 GE BLOCK	DIXMOOR	249338
1EA	7FDL16 GE ENGINE	DIXMOOR	249555
1EA	7FDL16 GE ENGINE	DIXMOOR	249561
1EA	7FDL16 GE ENGINE	SILVIS	281288
1EA	7FDL16 GE ENGINE	AVENUE O	281491
1EA	7FDL16 GE ENGINE	SILVIS	281495
1EA	7FDL16 GE BLOCK	DIXMOOR	37S5021
1EA	7FDL16 GE ENGINE	DIXMOOR	40S2421
1EA	7FDL16 GE BLOCK	DIXMOOR	6455
1EA	7FDL16 GE ENG. W/A11	DIXMOOR	7236H04
1EA	7FDL16 GE ENGINE	DIXMOOR	770506
1EA	7FDL16 GE ENGINE	DIXMOOR	770507
1EA	7FDL16 GE ENG. W/A11	DIXMOOR	770707
1EA	7FDL16 GE BLOCK	DIXMOOR	771009
1EA	7FDL16 GE ENGINE	DIXMOOR	8021168
1EA	8-567-BC EMD BLOCK & PAN	SILVIS	52M121
1EA	8-567-CR EMD ENGINE (JV)	DIXMOOR	57E39
1EA	8-567-CR EMD ENGINE	DIXMOOR	57M55
1EA	8-567-CR EMD ENGINE	DIXMOOR	58L38
1EA	8-567-CR EMD ENGINE	SILVIS	64K11024

1EA	8-567-CR EMD ENGINE	SILVIS	65F11170
1EA	8-567-CR EMD BLOCK & PAN	SILVIS	67M37008
1EA	8-567-CR EMD ENGINE	SILVIS	79K37512
1EA	8-645-E1 EMD ENGINE	DIXMOOR	71C11009
1EA	8-645-E1 EMD ENGINE	DIXMOOR	71C11013
1EA	8-645-E1 EMD ENGINE	DIXMOOR	77E11077
1EA	8-645-E1 EMD ENGINE	DIXMOOR	77F11030
1EA	8-645-E1 EMD ENGINE	DIXMOOR	79K11032
1EA	8-645-E1 EMD ENGINE	DIXMOOR	79M11041
1EA	8-645-E1 EMD ENGINE	DIXMOOR	79M11063
1EA	8-645-E1 EMD ENGINE	DIXMOOR	80A11047
1EA	8-645-E1 EMD ENGINE	DIXMOOR	80A11061
1EA	12 CYL FAIRBANKS ENGINE	DIXMOOR	968357
1EA	12-567-AC EMD ENGINE	SILVIS	6885
1EA	12-567-BC EMD ENGINE	DIXMOOR	51C17161
1EA	12-567-C EMD ENGINE	SILVIS	55E87
1EA	12-567-C EMD ENGINE	SILVIS	55E98
1EA	12-567-C EMD ENGINE	DIXMOOR	55F75
1EA	12-567-C EMD ENGINE	DIXMOOR	56C102
1EA	12-567-C EMD ENGINE	DIXMOOR	56J2
1EA	12-567-C EMD ENGINE	DIXMOOR	57M37
1EA	12-567-C EMD ENGINE	SILVIS	61D11
1ea	12-567-C EMD ENGINE	DIXMOOR	62E71
1EA	12-567-C EMD ENGINE	SILVIS	62F10
1EA	12-567-C EMD ENGINE	SILVIS	63F70
1EA	12-567-C EMD ENGINE	SILVIS	63G31
1EA	12-567-C EMD ENGINE	DIXMOOR	64E11006
1EA	12-567-C EMD ENGINE	DIXMOOR	65H11039
1EA	12-567-C EMD ENGINE	DIXMOOR	65J11056
1EA	12-567-C EMD ENGINE	DIXMOOR	65J11134
1EA	12-567-C EMD BLOCK & PAN	DIXMOOR	65J11154
1EA	12-645-E EMD ENGINE	SILVIS	67C11111
1EA	12-645-E EMD ENGINE	SILVIS	72K21079
1EA	12-645-E EMD ENGINE	SILVIS	77M21087
1EA	16-567-BC EMD ENGINE	DIXMOOR	52D174
1EA	16-567-BC EMD BLOCK & PAN	SILVIS	70L37013
1EA	16-567-BC EMD BLOCK & PAN	SILVIS	729430
1EA	16-567-C EMD ENGINE	SILVIS	54D38
1EA	16-567-C EMD ENGINE	SILVIS	54E116
1EA	16-567-C EMD ENGINE	SILVIS	54J39
1EA	16-567-C EMD ENGINE	DIXMOOR	55A46
1EA	16-567-C EMD ENGINE	DIXMOOR	55B92
1EA	16-567-C EMD ENGINE	DIXMOOR	55E68
1EA	16-567-C EMD ENGINE	DIXMOOR	55K53
1EA	16-567-C EMD ENGINE	SILVIS	56A69
1EA	16-567-C EMD ENGINE	DIXMOOR	56D12
1EA	16-567-C EMD ENGINE	DIXMOOR	56D13
1EA	16-567-C EMD ENGINE	DIXMOOR	56C87
1EA	16-567-C EMD ENGINE	DIXMOOR	56F31
1EA	16-567-C EMD ENGINE	DIXMOOR	57D128
1EA	16-567-C EMD ENGINE	DIXMOOR	57E23
1EA	16-567-C EMD ENGINE	DIXMOOR	57M103
1EA	16-567-C EMD ENGINE	DIXMOOR	59E39
1EA	16-567-C EMD ENGINE	SILVIS	59560
1EA	16-567-C EMD ENGINE	SILVIS	62G2
1EA	16-567-C EMD ENGINE	SILVIS	62G21

1EA	16-567-C EMD ENGINE	SILVIS	66M31122
1EA	16-567-C EMD ENGINE	AVENUE O	67B31017
1EA	16-567-C EMD ENGINE	SILVIS	68C31071C
1EA	16-567-C EMD ENGINE	SILVIS	68G11051
1EA	16-567-C EMD ENGINE	SILVIS	69G37009
1EA	16-567-C EMD ENGINE	DIXMOOR	69K31138
1EA	16-567-C EMD ENGINE	DIXMOOR	73A11078
1EA	16-567-C EMD ENGINE	AVENUE O	ER16DC729000
1EA	16-567-C EMD ENGINE	AVENUE O	ER16D3L7618640
1EA	16-567-C EMD ENGINE	AVENUE O	ER16D8H673150
1EA	16-567-C EMD ENGINE	DIXMOOR	S9257
1EA	16-567-CE EMD ENGINE	SILVIS	57M10
1EA	16-567-CE EMD ENGINE	SILVIS	57M63
1EA	16-567-D2 EMD ENGINE	DIXMOOR	66K31131
1EA	16-567-D2A EMD ENGINE	DIXMOOR	62B21
1EA	16-567-D2A EMD ENGINE	DIXMOOR	63A50
1EA	16-567-D3 EMD ENGINE	SILVIS	62F24
1EA	16-567-D3 EMD ENGINE	SILVIS	62G7
1EA	16-567-D3 EMD ENGINE	SILVIS	62H29
1EA	16-567-D3 EMD ENGINE	SILVIS	62J46
1EA	16-567-D3 EMD ENGINE	SILVIS	62K17
1EA	16-567-D3 EMD ENGINE	SILVIS	63J10R
1EA	16-567-D3 EMD ENGINE	SILVIS	63J36R
1EA	16-567-D3 EMD ENGINE	SILVIS	63J52R
1EA	16-567-D3 EMD ENGINE	SILVIS	63M17R
1EA	16-567-D3A EMD ENGINE	DIXMOOR	62F19
1EA	16-567-D3A EMD ENGINE	SILVIS	64B95
1EA	16-567-D3A EMD ENGINE	SILVIS	64C39
1EA	16-567-D3A EMD ENGINE	DIXMOOR	65B10566
1EA	16-567-D3A EMD ENGINE	AVENUE O	65C11158
1EA	16-567-D3A EMD ENGINE	DIXMOOR	65F21135
1EA	16-567-D3A EMD ENGINE	DIXMOOR	65G11048
1EA	16-567-D3A EMD ENGINE	DIXMOOR	65G11076
1EA	16-567-D3A EMD ENGINE	DIXMOOR	65K11028
1EA	16-567-D3A EMD ENGINE	AVENUE O	72E31183
1EA	16-567-D3A EMD ENGINE	AVENUE O	72M31501
1EA	16-567-D3A EMD ENGINE	AVENUE O	73H31545
1EA	16-567-D3A EMD ENGINE	AVENUE O	73K31538
1EA	16-567-D3A EMD ENGINE	AVENUE O	74F31509
1EA	16-567-D3A EMD ENGINE	SILVIS	74L31518
1EA	16-567-D3A EMD ENGINE	AVENUE O	75B31541
1EA	16-567-D3A EMD ENGINE	DIXMOOR	78A31502
1EA	16-567-ED3A EMD ENGINE	DIXMOOR	ER16ED3AH7618060
1EA	16-567-ED3A EMD ENGINE	SILVIS	72J21111
1EA	16-567-ED3A EMD ENGINE	DIXMOOR	77B37504
1EA	16-645-E EMD ENGINE	SILVIS	CL90136
1EA	16-645-E EMD ENGINE	DIXMOOR	69G21147
1EA	16-645-E EMD ENGINE	SILVIS	70F21150
1EA	16-645-E3 EMD BLOCK & PAN	DIXMOOR	71D11103
1EA	16-645-E3 EMD BLOCK & PAN	DIXMOOR	71F11054
1EA	16-645-E3 EMD ENGINE	SILVIS	66G21094
1EA	16-645-E3 EMD ENGINE	SILVIS	66J11002
1EA	16-645-E3 EMD ENGINE	DIXMOOR	66J21151
1EA	16-645-E3 EMD ENGINE	DIXMOOR	72F21070
1EA	16-645-E3 EMD ENGINE	DIXMOOR	73D11118
1EA	16-645-E3 EMD ENGINE	DIXMOOR	74D11057

1EA	16-645-E3 EMD ENGINE	DIXMOOR	81D31507
1EA	16-645-E3 EMD ENGINE	DIXMOOR	ER645E307515220
1EA	16-645-E5 EMD ENGINE	DIXMOOR	74H11087
1EA	20-645-E3 EMD ENGINE-MARINE	AVENUE O	20E72F84
1EA	20-645-E3 EMD ENGINE	DIXMOOR	66F11159
1EA	20-645-E3 EMD ENGINE	DIXMOOR	66H11157
1EA	20-645-E3 EMD ENGINE	DIXMOOR	67K11043
1EA	20-645-E3 EMD ENGINE	DIXMOOR	67L11002
1EA	20-645-E3 EMD ENGINE	DIXMOOR	67L11051
1EA	20-645-E3 EMD ENGINE	SILVIS	67L11121
1EA	20-645-E3 EMD ENGINE	DIXMOOR	68B21104
1EA	20-645-E3 EMD ENGINE	SILVIS	69C21030
1EA	20-645-E3 EMD ENGINE	DIXMOOR	69F11014
1EA	20-645-E3 EMD ENGINE	AVENUE O	70M31066
1EA	20-645-E3 EMD BLOCK & PAN	DIXMOOR	71C11062
1EA	20-645-E3 EMD ENGINE	DIXMOOR	71E11098
1EA	20-645-E3 EMD BLOCK & PAN	DIXMOOR	71E11129
1EA	20-645-E3 EMD ENGINE	DIXMOOR	71F11009
1EA	20-645-E3 EMD ENGINE	SILVIS	71F31521
1EA	20-645-E3 EMD ENGINE	DIXMOOR	71H31520
1EA	20-645-E3 EMD ENGINE	SILVIS	71L31092
1EA	20-645-E3 EMD ENGINE	SILVIS	72B31155
1EA	20-645-E3 EMD ENGINE	SILVIS	72C31508
1EA	20-645-E3 EMD ENGINE	DIXMOOR	72D11077
1EA	20-645-E3 EMD ENGINE	DIXMOOR	72D11091
1EA	20-645-E3 EMD ENGINE	DIXMOOR	72J21072
1EA	20-645-E3 EMD ENGINE	SILVIS	72J21107
1EA	20-645-E3 EMD ENGINE	SILVIS	72J31130
1EA	20-645-E3 EMD ENGINE	SILVIS	73K31509
1EA	20-645-E3 EMD ENGINE	DIXMOOR	73L31512
1EA	20-645-E3 EMD ENGINE	DIXMOOR	74A11084
1EA	20-645-E3 EMD ENGINE	SILVIS	74A21031
1EA	20-645-E3 EMD ENGINE	SILVIS	74A21102
1EA	20-645-E3 EMD ENGINE	SILVIS	74A31509
1EA	20-645-E3 EMD ENGINE	DIXMOOR	74D31502
1EA	20-645-E3 EMD ENGINE	DIXMOOR	74J31083
1EA	20-645-E3 EMD ENGINE	DIXMOOR	75B31528
1EA	20-645-E3 EMD ENGINE	DIXMOOR	75E31528
1EA	20-645-E3 EMD BLOCK & PAN	DIXMOOR	75F31531
1EA	20-645-E3 EMD ENGINE	DIXMOOR	75H31049
1EA	20-645-E3 EMD BLOCK & PAN	SILVIS	77F31511
1EA	20-645-E3 EMD ENGINE	AVENUE O	77L31114
1EA	20-645-E3 EMD BLOCK & PAN	SILVIS	78E31505
1EA	20-645-E3 EMD ENGINE	DIXMOOR	78L31510
1EA	20-645-E3 EMD BLOCK & PAN	SILVIS	79B31525
10EA	BC "C" POWER ASSEMBLIES	DIXMOOR	
50EA	EMD 645 LINERS	DIXMOOR	
20EA	EMD ENGINE BLOWERS	DIXMOOR	
3EA	EMD GP9 H.V. CABINETS	DIXMOOR	
1LOT	RAIL, TIES, PLATES, ETC.	DIXMOOR	
100EA	643E3 POWER ASSEMBLIES	DIXMOOR	
400EA	EMD ROCKER ARMS	DIXMOOR	
400EA	EMD PISTON CARRIERS	DIXMOOR	
100EA	EMD 645 BLADE RODS	DIXMOOR	
100EA	EMD 645 FORK RODS	DIXMOOR	
250EA	PISTON COOLING TUBES	DIXMOOR	

1EA	04 MAIN GENERATOR	SILVIS	G297
1EA	040 MAIN GENERATOR	SILVIS	G236
1EA	040 MAIN GENERATOR	SILVIS	69K33008
1EA	012 MAIN GENERATOR	SILVIS	51L9
1EA	012 MAIN GENERATOR	SILVIS	51L115
1EA	012 MAIN GENERATOR	SILVIS	52G62
1EA	012 MAIN GENERATOR FRAME	SILVIS	53A22
1EA	012 MAIN GENERATOR	SILVIS	53F81
1EA	012 MAIN GENERATOR	DIXMOOR	53M65
1EA	012 MAIN GENERATOR	SILVIS	54H59
1EA	012 MAIN GENERATOR	SILVIS	54J137
1EA	012 MAIN GENERATOR	SILVIS	56B64
1EA	012 MAIN GENERATOR	SILVIS	57A30
1EA	012 MAIN GENERATOR	SILVIS	57J117
1EA	012 MAIN GENERATOR FRAME	SILVIS	59C59
1EA	012 MAIN GENERATOR FRAME	SILVIS	59F104
1EA	012 MAIN GENERATOR	SILVIS	66K31004
1EA	012 MAIN GENERATOR	SILVIS	68K33003
1EA	012 MAIN GENERATOR	SILVIS	69B36001
1EA	012 MAIN GENERATOR	SILVIS	69K33016
1EA	012 MAIN GENERATOR	SILVIS	69K36007
1EA	012 MAIN GENERATOR	SILVIS	70H36006
1EA	012 MAIN GENERATOR FRAME	SILVIS	71A35008
1EA	012 MAIN GENERATOR FRAME	SILVIS	71J21892
1EA	012 MAIN GENERATOR	SILVIS	79D33011
1EA	012 MAIN GENERATOR	DIXMOOR	G2295
1EA	012 MAIN GENERATOR	SILVIS	G2920
1EA	012 MAIN GENERATOR	SILVIS	G2923
1EA	012 MAIN GENERATOR	SILVIS	G2936
1EA	012 MAIN GENERATOR	SILVIS	G2937
1EA	015C MAIN GENERATOR ARMATURE	SILVIS	A1157
1EA	015C MAIN GENERATOR	SILVIS	54B17
1EA	015C MAIN GENERATOR	SILVIS	54L30
1EA	015C MAIN GENERATOR	SILVIS	68M31001
1EA	022B MAIN GENERATOR FRAME	SILVIS	83KE8
1EA	022DT MAIN GENERATOR	SILVIS	1783
1EA	022DT MAIN GENERATOR	SILVIS	G1794
1EA	022DT MAIN GENERATOR	SILVIS	204
1EA	022DT MAIN GENERATOR	SILVIS	3331
1EA	022DT MAIN GENERATOR	SILVIS	51A98
1EA	022DT MAIN GENERATOR	SILVIS	52E82
1EA	022DT MAIN GENERATOR	SILVIS	52L33
1EA	022DT MAIN GENERATOR	SILVIS	53C69
1EA	022DT MAIN GENERATOR	SILVIS	59F21
1EA	022DT MAIN GENERATOR	SILVIS	62G24
1EA	022DT MAIN GENERATOR	SILVIS	62G28
1EA	022DT MAIN GENERATOR	SILVIS	62H23
1EA	022DT MAIN GENERATOR	SILVIS	62H63
1EA	022DT MAIN GENERATOR	SILVIS	69J31035
1EA	022DT MAIN GENERATOR	SILVIS	69L35001
1EA	022DT MAIN GENERATOR	SILVIS	77A32296
1EA	022E MAIN GENERATOR	SILVIS	62E36
1EA	022F MAIN GENERATOR	SILVIS	61C7
1EA	025C MAIN GENERATOR	DIXMOOR	65J11009
1EA	025C MAIN GENERATOR	DIXMOOR	65J11014
1EA	025C MAIN GENERATOR	DIXMOOR	65J11015



1EA	D32 MAIN GENERATOR	DIXMOOR	65C11061
1EA	D32 MAIN GENERATOR	SILVIS	65C11073
1EA	D32 MAIN GENERATOR	DIXMOOR	65E11001
1EA	D32 MAIN GENERATOR	DIXMOOR	65E11013
1EA	D32 MAIN GENERATOR	SILVIS	65F11033
1EA	D32 MAIN GENERATOR	DIXMOOR	65F11043
1EA	D32 MAIN GENERATOR	DIXMOOR	65F11049
1EA	D32 MAIN GENERATOR	SILVIS	65J11019
1EA	D32 MAIN GENERATOR	DIXMOOR	69J33014
1EA	D32 MAIN GENERATOR	DIXMOOR	69K37001
1EA	D32 MAIN GENERATOR	SILVIS	71F36006
1EA	D32E1 MAIN GENERATOR FRAME	SILVIS	70A21035
1EA	D32E1 MAIN GENERATOR FRAME	SILVIS	71A21030
1EA	D32P MAIN GENERATOR FRAME	SILVIS	G68
1EA	D32P M.G. FRAME	DIXMOOR	80A33005
1EA	AR5 ALTERNATOR	DIXMOOR	63K11001
1EA	AR5 ALTERNATOR	DIXMOOR	69E11032
1EA	AR10 ALTERNATOR	DIXMOOR	66C11008
1EA	AR10 ALTERNATOR	DIXMOOR	66M11010
1EA	AR10 ROTOR ONLY	SILVIS	73E69
1EA	AR10 ALTERNATOR	DIXMOOR	73F36017
1EA	AR10 ALTERNATOR	DIXMOOR	75H36006
1EA	AR10 ALTERNATOR	SILVIS	84403448
1EA	AR17WBCCA5 ALTERNATOR	SILVIS	90F11008
1EA	SGTA11 GE ALTERNATOR	DIXMOOR	8390112
1EA	A11C1 GE ALT. W/ENG	DIXMOOR	8390451
1EA	A11C1 GE ALT. W/ENG	DIXMOOR	8391153
1EA	A11C1 GE ALTERNATOR	SILVIS	8391363
1EA	EMD D7 TRACTION MOTOR	DIXMOOR	1681
1EA	EMD D17 TRACTION MOTOR	AVENUE O	NO TAG
1EA	EMD D19 TRACTION MOTOR	SILVIS	55C1019
1EA	EMD D19 TRACTION MOTOR	SILVIS	55D1719
1EA	EMD D19 TRACTION MOTOR	SILVIS	55E1519
1EA	EMD D19 TRACTION MOTOR	SILVIS	56E2519
1EA	EMD D19C TRACTION MOTOR	SILVIS	435M
1EA	EMD D27 TRACTION MOTOR	SILVIS	4048
1EA	EMD D27 TRACTION MOTOR	DIXMOOR	49089
1EA	EMD D27 TRACTION MOTOR	DIXMOOR	49F339
1EA	EMD D27 TRACTION MOTOR FRAME	SILVIS	49M422
1EA	EMD D27 TRACTION MOTOR	SILVIS	50F509
1EA	EMD D27 TRACTION MOTOR	SILVIS	50K851
1EA	EMD D27 TRACTION MOTOR	DIXMOOR	50K911
1EA	EMD D27 TRACTION MOTOR	DIXMOOR	51C338
1EA	EMD D27 TRACTION MOTOR	AVENUE O	51J486
1EA	EMD D27 TRACTION MOTOR	DIXMOOR	52G491
1EA	EMD D27 TRACTION MOTOR	DIXMOOR	52L354
1EA	EMD D27 TRACTION MOTOR	SILVIS	53D475
1EA	EMD D27 TRACTION MOTOR	AVENUE O	57C482
1EA	EMD D27 TRACTION MOTOR	SILVIS	70L3501
1EA	EMD D27 TRACTION MOTOR	DIXMOOR	71B33101
1EA	EMD D27 TRACTION MOTOR	AVENUE O	72J23655
1EA	EMD D27 TRACTION MOTOR	DIXMOOR	73D11275
1EA	EMD D27 TRACTION MOTOR	DIXMOOR	80L33047
1EA	EMD D27E TRACTION MOTOR	DIXMOOR	49D158
1EA	EMD D27E TRACTION MOTOR	DIXMOOR	49D305
1EA	EMD D29 TRACTION MOTOR	SILVIS	61D9

1EA	EMD D29 TRACTION MOTOR	SILVIS	62E10
1EA	EMD D29 TRACTION MOTOR	SILVIS	62E12
1EA	EMD D29 TRACTION MOTOR	SILVIS	62E15
1EA	EMD D29 TRACTION MOTOR	SILVIS	62E18
1EA	EMD D29 TRACTION MOTOR	SILVIS	63J8
1EA	EMD D29 TRACTION MOTOR	SILVIS	63J26
1EA	EMD D29 TRACTION MOTOR	SILVIS	64F10
1EA	EMD D29 TRACTION MOTOR	SILVIS	64H12
1EA	EMD D29 TRACTION MOTOR	SILVIS	65B6
1EA	EMD D29 TRACTION MOTOR	SILVIS	65B7
1EA	EMD D29 TRACTION MOTOR	SILVIS	65B12
1EA	EMD D29 TRACTION MOTOR	SILVIS	66C1019
1EA	EMD D29 TRACTION MOTOR	SILVIS	67D1046
1EA	EMD D29 TRACTION MOTOR	SILVIS	67D1018
1EA	EMD D29 TRACTION MOTOR	SILVIS	67E1044
1EA	EMD D29 TRACTION MOTOR	SILVIS	67F1015
1EA	EMD D29 TRACTION MOTOR	SILVIS	67F1045
1EA	EMD D29 TRACTION MOTOR	SILVIS	67F1047
1EA	EMD D29 TRACTION MOTOR	SILVIS	67F1051
1EA	EMD D29 TRACTION MOTOR	SILVIS	67G1067
1EA	EMD D37 TRACTION MOTOR	AVENUE O	49A202
1EA	EMD D37 TRACTION MOTOR	AVENUE O	54F95
1EA	EMD D37 TRACTION MOTOR	SILVIS	54E369
1EA	EMD D37 TRACTION MOTOR	DIXMOOR	C55C352
1EA	EMD D37 TRACTION MOTOR	DIXMOOR	55F65
1EA	EMD D37 TRACTION MOTOR	DIXMOOR	55F112
1EA	EMD D37 TRACTION MOTOR	SILVIS	56C16
1EA	EMD D37 TRACTION MOTOR	DIXMOOR	56E21
1EA	EMD D37 TRACTION MOTOR	DIXMOOR	56H147
1EA	EMD D37 TRACTION MOTOR	DIXMOOR	57F120
1EA	EMD D37 TRACTION MOTOR	DIXMOOR	67E36075
1EA	EMD D37 TRACTION MOTOR	DIXMOOR	71A35013
1EA	EMD D37 TRACTION MOTOR	DIXMOOR	74F35006
1EA	EMD D47 T.M./MOUNTED	DIXMOOR	45M615
1EA	EMD D47 TRACTION MOTOR	AVENUE O	58C93
1EA	EMD D47 TRACTION MOTOR	SILVIS	57H166
1EA	EMD D47 TRACTION MOTOR	SILVIS	58F43
1EA	EMD D47 TRACTION MOTOR	AVENUE O	58M170
1EA	EMD D47 TRACTION MOTOR	SILVIS	59E168
1EA	EMD D47 TRACTION MOTOR	SILVIS	69I1115
1EA	EMD D57 TRACTION MOTOR	AVENUE O	48A136A
1EA	EMD D57 TRACTION MOTOR	AVENUE O	51A484
1EA	EMD D57 TRACTION MOTOR	DIXMOOR	54H31
1EA	EMD D57 TRACTION MOTOR	AVENUE O	62H108
1EA	EMD D57 TRACTION MOTOR FRAME	SILVIS	63H94
1EA	EMD D57 TRACTION MOTOR	AVENUE O	64F33054
1EA	EMD D57 TRACTION MOTOR	AVENUE O	64M35035
1EA	EMD D57 TRACTION MOTOR FRAME	SILVIS	65E33096
1EA	EMD D57 TRACTION MOTOR	AVENUE O	66B35039
1EA	EMD D57 TRACTION MOTOR	AVENUE O	66D35068
1EA	EMD D57 TRACTION MOTOR	DIXMOOR	66M33123
1EA	EMD D57 TRACTION MOTOR	AVENUE O	67F35063
1EA	EMD D57 TRACTION MOTOR	AVENUE O	69A145
1EA	EMD D57 TRACTION MOTOR	AVENUE O	69A33093
1EA	EMD D57 TRACTION MOTOR	AVENUE O	69F36022
1EA	EMD D57 TRACTION MOTOR	SILVIS	70B11197

1EA	EMD 057 TRACTION MOTOR	AVENUE O	71A33002
1EA	EMD 057 TRACTION MOTOR	AVENUE O	71F35007
1EA	EMD 057 TRACTION MOTOR	AVENUE O	74M35011
1EA	EMD 057 TRACTION MOTOR	AVENUE O	75A36043
1EA	EMD 057 TRACTION MOTOR	AVENUE O	75F5752
1EA	EMD 057 TRACTION MOTOR	SILVIS	78L35597
1EA	EMD 057 TRACTION MOTOR	DIXMOOR	79M7100
1EA	EMD 057 TRACTION MOTOR	SILVIS	81M33017
1EA	EMD 067 TRACTION MOTOR	SILVIS	49C14
1EA	EMD 067 TRACTION MOTOR	DIXMOOR	52J175
1EA	EMD 067 TRACTION MOTOR	SILVIS	53H101
1EA	EMD 067 TRACTION MOTOR	DIXMOOR	63L17
1EA	EMD 067 TRACTION MOTOR	SILVIS	64H21194
1EA	EMD 067 TRACTION MOTOR	SILVIS	64K21024
1EA	EMD 067 TRACTION MOTOR	AVENUE O	64L11128
1EA	EMD 067 TRACTION MOTOR	AVENUE O	65A11015
1EA	EMD 067 TRACTION MOTOR	SILVIS	65E21211
1EA	EMD 067 TRACTION MOTOR	AVENUE O	65F11062
1EA	EMD 067 TRACTION MOTOR	AVENUE O	65F11105
1EA	EMD 067 TRACTION MOTOR	AVENUE O	65C21016
1EA	EMD 067 TRACTION MOTOR	SILVIS	65K21131
1EA	EMD 067 TRACTION MOTOR	DIXMOOR	65J11156
1EA	EMD 067 TRACTION MOTOR	AVENUE O	65J11247
1EA	EMD 067 TRACTION MOTOR	DIXMOOR	65L21069
1EA	EMD 067 TRACTION MOTOR	AVENUE O	65L11014
1EA	EMD 067 TRACTION MOTOR	AVENUE O	68E11113
1EA	EMD 067 TRACTION MOTOR	DIXMOOR	691074
1EA	EMD 067 TRACTION MOTOR	AVENUE O	71G35013
1EA	EMD 077 TRACTION MOTOR	SILVIS	66D11313
1EA	EMD 077 TRACTION MOTOR FRAME	SILVIS	67F11082
1EA	EMD 077 TRACTION MOTOR	SILVIS	67L21003
1EA	EMD 077 TRACTION MOTOR	AVENUE O	70G35009
1EA	EMD 077 T.M./MOUNTED	DIXMOOR	71B21183
1EA	EMD 077 TRACTION MOTOR	SILVIS	71J21329
1EA	EMD 077 TRACTION MOTOR	SILVIS	73L33002
1EA	EMD 077 TRACTION MOTOR	SILVIS	77D11371
1EA	EMD 077 T.M./MOUNTED	DIXMOOR	77L11387
1EA	EMD 077 TRACTION MOTOR	SILVIS	79D11347
1EA	EMD 077 TRACTION MOTOR	DIXMOOR	79F1084
1EA	EMD 077 TRACTION MOTOR	SILVIS	79J33075
1EA	EMD 077 TRACTION MOTOR	SILVIS	8233530
1EA	EMD 077 TRACTION MOTOR	SILVIS	85FC9019
1EA	EMD 077 TRACTION MOTOR	SILVIS	86DC9040
9EA	EMD 077 TRACTION MOTORS	DIXMOOR	VARIOUS
1EA	EMD 078 T.M./MOUNTED	DIXMOOR	HE84K20411
1EA	EMD 078 TRACTION MOTOR	DIXMOOR	85GA9070
1EA	EMD 078 TRACTION MOTOR	DIXMOOR	85EB9042
1EA	EMD 078 TRACTION MOTOR	DIXMOOR	85HA9061
1EA	EMD 078 TRACTION MOTOR	DIXMOOR	86AB9011
1EA	EMD 078 TRACTION MOTOR	SILVIS	86JB9001
1EA	EMD 078 TRACTION MOTOR	AVENUE O	86KB9135
1EA	EMD 078 TRACTION MOTOR	AVENUE O	87A20009
1EA	EMD 078 TRACTION MOTOR	DIXMOOR	87BE84363
1EA	EMD 078 TRACTION MOTOR	SILVIS	88F35015
1EA	EMD 078 TRACTION MOTOR	AVENUE O	88LC9117
1EA	EMD 078 TRACTION MOTOR	DIXMOOR	89HA9063

1EA	EMD D78 TRACTION MOTOR	DIXMOOR	89H09061
1EA	EMD D78 TRACTION MOTOR	SILVIS	89MC9061
1EA	EMD D78 TRACTION MOTOR	SILVIS	90AA9018
1EA	EMD D87 TRACTION MOTOR	SILVIS	88KB9070
1EA	EMD D79 TRACTION MOTOR	DIXMOOR	72G11109
1EA	EMD D79 TRACTION MOTOR	DIXMOOR	72G11129
1EA	EMD D79 TRACTION MOTOR	DIXMOOR	72G11251
1EA	EMD D79 TRACTION MOTOR	DIXMOOR	72G11277
1EA	716E3 GE TRACTION MOTOR	SILVIS	1708678
1EA	733J1 GE TRACTION MOTOR	DIXMOOR	1846964
1EA	733J1 GE TRACTION MOTOR	DIXMOOR	2306683
1EA	733J1 GE TRACTION MOTOR	DIXMOOR	56E33J1
1EA	752E6 TRACTION MOTOR	DIXMOOR	7378097
1EA	752E6 GE TRACTION MOTOR	DIXMOOR	7384944
1EA	752E6 GE TRACTION MOTOR	DIXMOOR	7936680
1EA	752E6A GE TRACTION MOTOR	DIXMOOR	7390132
1EA	752E6A GE TRACTION MOTOR	DIXMOOR	7399835
1EA	752E6B GE TRACTION MOTOR	DIXMOOR	7414146
1EA	752E60A GE TRACTION MOTOR	DIXMOOR	7400277
1EA	752E60R GE TRACTION MOTOR	DIXMOOR	7347084
1EA	752E7B GE TRACTION MOTOR	DIXMOOR	83L6329
1EA	752E8 GE TRACTION MOTOR	DIXMOOR	2350244
1EA	752E8 GE TRACTION MOTOR	DIXMOOR	85F774510
1EA	752E8A GE TRACTION MOTOR	DIXMOOR	85G7496
1EA	752E90B GE TRACTION MOTOR	DIXMOOR	83C35956
1EA	GHM833 GE TRACTION MOTOR	DIXMOOR	1792705
1EA	GHM833 GE TRACTION MOTOR	DIXMOOR	878768
1EA	FB SWITCHER FRAME	SILVIS	552
1EA	FB SWITCHER FRAME	SILVIS	1001
1EA	FB SWITCHER FRAME	SILVIS	1002
1EA	FB SWITCHER FRAME	SILVIS	1082
1EA	FB SWITCHER FRAME	SILVIS	8151
1EA	FB SWITCHER FRAME	SILVIS	8281
1EA	FB SWITCHER FRAME	SILVIS	8282
1EA	FB SWITCHER FRAME	DIXMOOR	1069
1EA	FB SWITCHER TRUCK W/MOTORS	DIXMOOR	2150
1EA	FB SWITCHER TRUCK W/MOTORS	DIXMOOR	2710
1EA	FB SWITCHER TRUCK W/MOTORS	DIXMOOR	30333
1EA	FB SWITCHER TRUCK W/MOTORS	DIXMOOR	4291
1EA	FB SWITCHER TRUCK W/MOTORS	DIXMOOR	4384
1EA	FB SWITCHER FRAME	DIXMOOR	4770
1EA	FB SWITCHER TRUCK W/MOTORS	DIXMOOR	52549
1EA	FB SWITCHER TRUCK W/MOTORS	DIXMOOR	53564
1EA	FB SWITCHER TRUCK W/MOTORS	DIXMOOR	5484
1EA	FB SWITCHER TRUCK W/MOTORS	DIXMOOR	5988
1EA	FB SWITCHER TRUCK W/MOTORS	DIXMOOR	80RG
1EA	FB SWITCHER TRUCK W/MOTORS	DIXMOOR	83
1EA	RB SWITCHER TRUCK W/MOTORS	DIXMOOR	70C11143
1EA	RB SWITCHER TRUCK W/MOTORS	DIXMOOR	LEVIN
1EA	RB SWITCHER TRUCK WO/MOTORS	DIXMOOR	489
1EA	RB SWITCHER TRUCK WO/MOTORS	DIXMOOR	1450
1EA	RB SWITCHER TRUCK WO/MOTORS	DIXMOOR	1617
1EA	RB SWITCHER TRUCK WO/MOTORS	DIXMOOR	1768
1EA	RB SWITCHER TRUCK WO/MOTORS	DIXMOOR	6449
1EA	GP TRUCK FRAME	DIXMOOR	13267
1EA	GP TRUCK FRAME	SILVIS	20501

1EA	GP TRUCK FRAME	SILVIS	20502
1EA	GP TRUCK FRAME	DIXMOOR	21023
1EA	GP TRUCK FRAME	DIXMOOR	21372
1EA	GP TRUCK FRAME	SILVIS	25671
1EA	GP TRUCK FRAME	SILVIS	25892
1EA	GP TRUCK FRAME	SILVIS	26181
1EA	GP TRUCK FRAME	SILVIS	26291
1EA	GP TRUCK FRAME	SILVIS	45171
1EA	GP TRUCK FRAME	SILVIS	45172
1EA	GP TRUCK FRAME	DIXMOOR	64F21061
1EA	GP TRUCK FRAME	DIXMOOR	66M21163
1EA	GP TRUCK FRAME	SILVIS	80281
1EA	GP TRUCK FRAME	SILVIS	8071
1EA	GP TRUCK FRAME	DIXMOOR	L7639
1EA	GP TRUCK FRAME	DIXMOOR	HV85E60090
1EA	GP TRUCK ASY./W MOTORS	DIXMOOR	16501
1EA	GP TRUCK ASY./W MOTORS	DIXMOOR	1956
1EA	GP TRUCK ASY./W MOTORS	DIXMOOR	19743
1EA	GP TRUCK ASY./W MOTORS	DIXMOOR	25948
1EA	SD TRUCK FRAME	SILVIS	65121
1EA	SD TRUCK FRAME	SILVIS	65122
1EA	SD TRUCK FRAME	SILVIS	65181
1EA	SD TRUCK FRAME	SILVIS	65182
1EA	SD TRUCK FRAME	SILVIS	65261
1EA	SD TRUCK FRAME	SILVIS	65262
1EA	SD TRUCK FRAME	SILVIS	89551
1EA	SD TRUCK FRAME	SILVIS	89552
1EA	SD TRUCK FRAME	SILVIS	89591
1EA	SD TRUCK FRAME	SILVIS	89592
1EA	SD TRUCK FRAME	SILVIS	90361
1EA	SD TRUCK FRAME	SILVIS	90362
1EA	SD TRUCK FRAME	SILVIS	90711
1EA	SD TRUCK FRAME	SILVIS	90712
1EA	SD TRUCK FRAME	SILVIS	90951
1EA	SD TRUCK FRAME	SILVIS	90952
1EA	WBGHS219 AIR COMPRESSOR	SILVIS	219
1EA	WBGHS910 AIR COMPRESSOR	SILVIS	910
1EA	WBGHS948 AIR COMPRESSOR	SILVIS	948
1EA	WBGHS1769 AIR COMPRESSOR	SILVIS	1769
1EA	WBGHS1962 AIR COMPRESSOR	SILVIS	1962
1EA	WBGHS2565 AIR COMPRESSOR	SILVIS	2565
1EA	WBGHS2567 AIR COMPRESSOR	SILVIS	2567
1EA	WBGHS2604 AIR COMPRESSOR	SILVIS	2604
1EA	WBGHS2620 AIR COMPRESSOR	SILVIS	2620
1EA	WBGHS503 AIR COMPRESSOR	SILVIS	503
1EA	WBOD014 AIR COMPRESSOR	SILVIS	014
1EA	WBOD110 AIR COMPRESSOR	SILVIS	110
1EA	WBOD260 AIR COMPRESSOR	SILVIS	260
1EA	WBOD350 AIR COMPRESSOR	SILVIS	350
1EA	WBOD510 AIR COMPRESSOR	SILVIS	510
1EA	WBOD561 AIR COMPRESSOR	SILVIS	561
1EA	WBOD678 AIR COMPRESSOR	SILVIS	678
1EA	WBOD683 AIR COMPRESSOR	SILVIS	683
1EA	WBOD763 AIR COMPRESSOR	SILVIS	763
1EA	WBOD782 AIR COMPRESSOR	SILVIS	781
1EA	WBOHS070 AIR COMPRESSOR	SILVIS	070

1EA	WBOHS708 AIR COMPRESSOR	SILVIS	708
1EA	WBOHS770 AIR COMPRESSOR	SILVIS	770
1EA	WBOHS6518 AIR COMPRESSOR	SILVIS	6518
1EA	WXOHD078 AIR COMPRESSOR	SILVIS	078
1EA	WXOHD079 AIR COMPRESSOR	SILVIS	079
1EA	WXOHD088 AIR COMPRESSOR	SILVIS	088
1EA	WXOHD122 AIR COMPRESSOR	SILVIS	122
1EA	WXOHD206 AIR COMPRESSOR	SILVIS	206
1EA	WXOHD262 AIR COMPRESSOR	SILVIS	262
1EA	WXOHD265 AIR COMPRESSOR	SILVIS	265
1EA	WXOHD315 AIR COMPRESSOR	SILVIS	315
1EA	WXOHD362 AIR COMPRESSOR	SILVIS	362
1EA	WXOHD394 AIR COMPRESSOR	SILVIS	394
1EA	WXOHD548 AIR COMPRESSOR	SILVIS	548
1EA	WXOHD566 AIR COMPRESSOR	SILVIS	566
1EA	WXOHD580 AIR COMPRESSOR	SILVIS	580
1EA	WXOHD602 AIR COMPRESSOR	SILVIS	602
1EA	WXOHD630 AIR COMPRESSOR	SILVIS	630
1EA	WXOHD642 AIR COMPRESSOR	SILVIS	642
1EA	WXOHD680 AIR COMPRESSOR	SILVIS	680
1EA	WXOHD926 AIR COMPRESSOR	SILVIS	926
1EA	WXOD416 AIR COMPRESSOR	SILVIS	416
1EA	WXOD449 AIR COMPRESSOR	SILVIS	449
1EA	WXOD492 AIR COMPRESSOR	SILVIS	492
2EA	GP9 DYNAMIC BRAKE HATCH	SILVIS	S-N84
1EA	GP30 DYNAMIC BRAKE HATCH	SILVIS	0005
1EA	GP30 DYNAMIC BRAKE HATCH	SILVIS	2567
1EA	GP30 DYNAMIC BRAKE HATCH	SILVIS	2620
1EA	GP30 DYNAMIC BRAKE HATCH	SILVIS	2629
1EA	SD45 DYNAMIC BRAKE HATCH	SILVIS	3110
1EA	SD45 DYNAMIC BRAKE HATCH	SILVIS	8955
1EA	SD45 DYNAMIC BRAKE HATCH	SILVIS	8959
1EA	SD45 DYNAMIC BRAKE HATCH	SILVIS	9071
1EA	SD45 DYNAMIC BRAKE HATCH	SILVIS	9095
1EA	SD45 DYNAMIC BRAKE HATCH	SILVIS	9105
7EA	36" COOLING FAN-8122844	SILVIS	CP
1EA	48" COOLING FAN	SILVIS	CF865123
1EA	48" COOLING FAN-8122851	SILVIS	CP
2EA	48" COOLING FAN-8286842	SILVIS	MASHI
1EA	48" COOLING FAN-8296483	SILVIS	SHR
2EA	48" COOLING FAN-8391255	SILVIS	CP
1EA	GP30 INERTIAL FAN HATCH	SILVIS	2567
1EA	GP30 INERTIAL FAN HATCH	SILVIS	2618
1EA	GP30 INERTIAL FAN HATCH	SILVIS	2620
1EA	SD45 INERTIAL FAN HATCH	SILVIS	6512
1EA	18KWAC AUX. GENERATOR	SILVIS	1684K89
1EA	18KWAC AUX. GENERATOR	SILVIS	66J33001
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	B631387
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	B631388
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	B631392
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	BBL621390
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	BBL621391
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	BBL621393
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	BBL621394
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	BBL621396
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	BBL621397

1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	G146
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	G147
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	G148
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	G149
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	O601412
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	O601413
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	O601414
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	O601415
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	O611325
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	O621416
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	O621417
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	R621216
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	R621406
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	R621408
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	R621411
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	R62184
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	R62189
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	R62262
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	R62285
1EA	EMD WHEEL & AXLE ASSEMBLY	SILVIS	RBL621320
1EA	GP30 RADIATOR HATCH	SILVIS	001
1EA	GP30 RADIATOR HATCH	SILVIS	002
1EA	GP30 RADIATOR HATCH	SILVIS	003
1EA	GP30 RADIATOR HATCH	SILVIS	004
1EA	GP30 RADIATOR HATCH	SILVIS	2579
1EA	GP30 RADIATOR HATCH	SILVIS	2629
1EA	SD45 RADIATOR HATCH	SILVIS	6518
1EA	SD45 RADIATOR HATCH	SILVIS	6526
1EA	8034709 12 CYL. CRANKSHAFT	SILVIS	MV3704
1EA	8034709 12 CYL. CRANKSHAFT	SILVIS	U3410
1EA	8034708 16 CYL. CRANKSHAFT	SILVIS	11943
1EA	8034708 16 CYL. CRANKSHAFT	SILVIS	31829
1EA	8034708 16 CYL. CRANKSHAFT	SILVIS	33047
1EA	8360783 20 CYL. CRANKSHAFT	SILVIS	72C11160
1EA	KOMATSU #41 BULL DOZER	CENT.	6455
1EA	CARDWELL #200 WORK OVER RIG	CENT.	
1EA	OIL & GAS ELEVATOR	CENT.	
1EA	AUSTRALIAN PARTS	AUST.	
1EA	GE THREE AXLE TRUCK FRAME	DIXMOOR	411
1EA	GE THREE AXLE TRUCK FRAME	DIXMOOR	2427

NATIONAL RAILWAY EQUIPMENT COMPANY  
COMBINED LOCOMOTIVES  
OCTOBER 31, 1991

QTY.	DESCRIPTION	ROAD #	LOCATION
1EA	GE65 TON LOCOMOTIVE		SILVIS
1EA	ALCO SLUG	1	SILVIS
1EA	EMD F TYPE SLUG	500	DIXMOOR
1EA	EMD SW138 SLUG	1302	DIXMOOR
1EA	EMD SW SLUG	50	DIXMOOR
1EA	EMD SW SLUG	55	DIXMOOR
1EA	EMD SW SLUG	59	DIXMOOR
1EA	EMD SW1 SWITCHER	76	AVENUE O
1EA	EMD SW1 SWITCHER	78	AVENUE O
1EA	EMD SW1 SWITCHER		NIPSCO
1EA	EMD SW1 SWITCHER		NIPSCO
1EA	EMD SW1 SWITCHER	100	AVENUE O
1EA	EMD NW2 SWITCHER	419	AVENUE O
1EA	EMD NW2 SWITCHER	421	AVENUE O
1EA	EMD NW2 SWITCHER	427	AVENUE O
1EA	EMD NW2 SWITCHER	429	AVENUE O
1EA	EMD NW2 SWITCHER	434	AVENUE O
1EA	EMD NW2 SWITCHER	438	AVENUE O
1EA	EMD NW2 SWITCHER	440	AVENUE O
1EA	EMD SW7 SWITCH (1/2)	9190	GRS
1EA	EMD SW8 SWITCHER	7151	AVENUE O
1EA	EMD SW8 SWITCHER	7153	AVENUE O
1EA	EMD SW9 LOCOMOTIVE	162	DIXMOOR
1EA	EMD SW9 LOCOMOTIVE (1/2)	622	AVENUE O
1EA	EMD SW9 LOCOMOTIVE	2304	DIXMOOR
1EA	EMD SW9 LOCOMOTIVE	7709	AVENUE O
1EA	EMD SW9 LOCOMOTIVE	7722	AVENUE O
1EA	EMD SW900 LOCOMOTIVE	1193	AVENUE O
1EA	EMD SW1200 LOCOMOTIVE	6	DIXMOOR
1EA	EMD SW1200 LOCOMOTIVE	14	DIXMOOR
1EA	EMD SW1200 LOCOMOTIVE 1/2	191	AVENUE O
1EA	EMD SW1200 LOCOMOTIVE	323	AVENUE O
1EA	EMD SW1200 LOCOMOTIVE	613	SILVIS
1EA	EMD SW1200 LOCOMOTIVE	640	SILVIS
1EA	EMD SW1200 LOCOMOTIVE	1212	AVENUE O
1EA	EMD SW1200 LOCOMOTIVE	1214	AVENUE O
1EA	EMD SW1200 LOCOMOTIVE	1215	AVENUE O
1EA	EMD SW1200 LOCOMOTIVE	1236	DIXMOOR
1EA	EMD SW1200 LOCOMOTIVE	1238	GCS
1EA	EMD SW1200 LOCOMOTIVE	1240	GCS
1EA	EMD SW1200 LOCOMOTIVE	2253	CCOFC
1EA	EMD SW1200 LOCOMOTIVE	2272	AVENUE O
1EA	EMD SW1200 LOCOMOTIVE	9603	DIXMOOR
1EA	EMD SW13 LOCOMOTIVE	1328	DIXMOOR
1EA	EMD SW14 LOCOMOTIVE	1420	DIXMOOR
1EA	EMD SW14 LOCOMOTIVE	1424	DIXMOOR
1EA	EMD SW1500 LOCOMOTIVE	55	DIXMOOR
1EA	EMD CF7 LOCOMOTIVE (1/2)	2469	GRS
1EA	EMD CF7 LOCOMOTIVE	2488	SILVIS
1EA	EMD CF7 LOCOMOTIVE (1/2)	2574	GRS



1EA	EMD CF7 LOCOMOTIVE	2607	SILVIS
1EA	EMD CF7 LOCOMOTIVE	2632	SILVIS
1EA	EMD CF7 LOCOMOTIVE	2640	SILVIS
1EA	EMD GP7 LOCOMOTIVE	100	DIXMOOR
1EA	EMD GP7 LOCOMOTIVE	101	DIXMOOR
1EA	EMD GP7 LOCOMOTIVE	104	DIXMOOR
1EA	EMD GP7 LOCOMOTIVE	745	SILVIS
1EA	EMD GP7 LOCOMOTIVE	812	SILVIS
1EA	EMD GP7 LOCOMOTIVE (1/2)	1560	GRS
1EA	EMD GP7 LOCOMOTIVE	2014	SILVIS
1EA	EMD GP7 LOCOMOTIVE	2024	DIXMOOR
1EA	EMD GP7 LOCOMOTIVE	2068	SILVIS
1EA	EMD GP7 LOCOMOTIVE	2088	DIXMOOR
1EA	EMD GP7 LOCOMOTIVE	2114	DIXMOOR
1EA	EMD GP7 LOCOMOTIVE	2121	DIXMOOR
1EA	EMD GP7 LOCOMOTIVE	2126	SILVIS
1EA	EMD GP7 LOCOMOTIVE	2180	SILVIS
1EA	EMD GP7 LOCOMOTIVE	2358	SILVIS
1EA	EMD GP7 LOCOMOTIVE	4112	SILVIS
1EA	EMD GP7 LOCOMOTIVE	4158	SILVIS
1EA	EMD GP7 LOCOMOTIVE	4166	SILVIS
1EA	EMD GP7 LOCOMOTIVE	4177	SILVIS
1EA	EMD GP7 LOCOMOTIVE	4321	SILVIS
1EA	EMD GP7 LOCOMOTIVE	5824	SILVIS
1EA	EMD GP7 LOCOMOTIVE	5867	SILVIS
1EA	EMD GP7 LOCOMOTIVE	5873	SILVIS
1EA	EMD GP7 LOCOMOTIVE	5891	SILVIS
1EA	EMD GP7 LOCOMOTIVE	5929	SILVIS
1EA	EMD E8 LOCOMOTIVE	514	AVENUE O
1EA	EMD E8 LOCOMOTIVE	517	AVENUE O
1EA	EMD GP8 LOCOMOTIVE	7708	SILVIS
1EA	EMD GP8 LOCOMOTIVE	7709	SILVIS
1EA	EMD GP8 LOCOMOTIVE	7718	SILVIS
1EA	EMD F7A LOCOMOTIVE	4059	WILSON RWY.
1EA	EMD F7A LOCOMOTIVE	4064	WILSON RWY.
1EA	EMD F9 LOCOMOTIVE	9164	SILVIS
1EA	EMD F9 LOCOMOTIVE	9165	SILVIS
1EA	EMD F9 LOCOMOTIVE	9167	DIXMOOR
1EA	EMD F9 LOCOMOTIVE	9177	DIXMOOR
1EA	EMD GP9 LOCOMOTIVE	270	SILVIS
1EA	EMD GP9 LOCOMOTIVE	272	DIXMOOR
1EA	EMD GP9 LOCOMOTIVE	291	DIXMOOR
1EA	EMD GP9 LOCOMOTIVE	608	DIXMOOR
1EA	EMD GP9 LOCOMOTIVE	1729	AVENUE O
1EA	EMD GP9 LOCOMOTIVE	1765	SILVIS
1EA	EMD GP9 LOCOMOTIVE	1779	SILVIS
1EA	EMD GP9 LOCOMOTIVE	2894	DIXMOOR
1EA	EMD GP9 LOCOMOTIVE	3417	DIXMOOR
1EA	EMD GP9 LOCOMOTIVE	3344	DIXMOOR
1EA	EMD GP9 LOCOMOTIVE	3730	DIXMOOR
1EA	EMD GP9 LOCOMOTIVE	3854	DIXMOOR
1EA	EMD GP9 LOCOMOTIVE	3882	DIXMOOR
1EA	EMD GP9 LOCOMOTIVE	3884	DIXMOOR
1EA	EMD GP9 LOCOMOTIVE	5903	DENVER
1EA	EMD GP9 LOCOMOTIVE	5904	SILVIS
1EA	EMD GP9 LOCOMOTIVE	5912	DENVER

1EA	EMD GP9 LOCOMOTIVE	5913	DENVER
1EA	EMD GP9 LOCOMOTIVE	5922	SILVIS
1EA	EMD GP9 LOCOMOTIVE	5924	DENVER
1EA	EMD GP9 LOCOMOTIVE	5931	DENVER
1EA	EMD GP9 LOCOMOTIVE	5934	DENVER
1EA	EMD GP9 LOCOMOTIVE	5941	SILVIS
1EA	EMD GP9 LOCOMOTIVE	5942	SILVIS
1EA	EMD GP9 LOCOMOTIVE	5951	SILVIS
1EA	EMD GP9 LOCOMOTIVE	5953	SILVIS
1EA	EMD GP9 LOCOMOTIVE	5954	SILVIS
1EA	EMD GP9 LOCOMOTIVE	6149	BIRMINGHAM
1EA	EMD GP9 LOCOMOTIVE	6432	DIXMOOR
1EA	EMD GP9 LOCOMOTIVE	6466	DIXMOOR
1EA	EMD GP10 LOCOMOTIVE	8028	SILVIS
1EA	EMD GP10 LOCOMOTIVE	8168	DIXMOOR
1EA	EMD GP10 LOCOMOTIVE	8221	DIXMOOR
1EA	EMD GP18 LOCOMOTIVE	1069	BIRMINGHAM
1EA	EMD GP18 LOCOMOTIVE	9425	DIXMOOR
1EA	EMD GP35 LOCOMOTIVE	6666	DIXMOOR
1EA	EMD GP38 LOCOMOTIVE	2105	DIXMOOR
1EA	EMD GP38 LOCOMOTIVE	4810	DIXMOOR
1EA	EMD GP38-2 LOCOMOTIVE	2070	AVENUE O
1EA	EMD GP38-2 LOCOMOTIVE	3820	DIXMOOR
1EA	EMD GP38-2 LOCOMOTIVE	3821	DIXMOOR
1EA	EMD GP38-2 LOCOMOTIVE	3822	DIXMOOR
1EA	EMD GP38-2 LOCOMOTIVE	3823	DIXMOOR
1EA	EMD GP38-2 LOCOMOTIVE	4826	DIXMOOR
1EA	EMD GP40 LOCOMOTIVE	172	SILVIS
1EA	EMD GP40 LOCOMOTIVE	179	SILVIS
1EA	EMD GP40 LOCOMOTIVE	217	SILVIS
1EA	EMD GP40 LOCOMOTIVE	600	SILVIS
1EA	EMD GP40 LOCOMOTIVE	611	SILVIS
1EA	EMD GP40 LOCOMOTIVE	643	DIXMOOR
1EA	EMD GP40 LOCOMOTIVE	3013	DIXMOOR
1EA	EMD GP40 LOCOMOTIVE	3020	DIXMOOR
1EA	EMD GP40 LOCOMOTIVE	6698	SILVIS
1EA	EMD GP40 LOCOMOTIVE	6747	DIXMOOR
1EA	EMD GP50 LOCOMOTIVE	5051	OELWEIN
1EA	EMD GP50 LOCOMOTIVE	5096	OELWEIN
1EA	EMD SD7 LOCOMOTIVE	1506	SILVIS
1EA	EMD SD7 LOCOMOTIVE	5300	DENVER
1EA	EMD SD7 LOCOMOTIVE	5301	DENVER
1EA	EMD SD7 LOCOMOTIVE	5302	DENVER
1EA	EMD SD7 LOCOMOTIVE	5303	DENVER
1EA	EMD SD7 LOCOMOTIVE	5304	DENVER
1EA	EMD SD9 LOCOMOTIVE	600	DIXMOOR
1EA	EMD SD9 LOCOMOTIVE	1836	DIXMOOR
1EA	EMD SD9 LOCOMOTIVE	2381	DIXMOOR
1EA	EMD SD9 LOCOMOTIVE	5306	DENVER
1EA	EMD SD9 LOCOMOTIVE	5307	SILVIS
1EA	EMD SD9 LOCOMOTIVE	5308	SILVIS
1EA	EMD SD9 LOCOMOTIVE	5309	SILVIS
1EA	EMD SD9 LOCOMOTIVE	5310	DENVER
1EA	EMD SD9 LOCOMOTIVE	5311	SILVIS
1EA	EMD SD9 LOCOMOTIVE	5312	SILVIS
1EA	EMD SD9 LOCOMOTIVE	5313	DENVER

1EA	EMD SD9 LOCOMOTIVE	5314	SILVIS
1EA	EMD SD40 LOCOMOTIVE	3000	SILVIS
1EA	EMD SD40 LOCOMOTIVE	3004	DIXMOOR
1EA	EMD SD40 LOCOMOTIVE	3006	AVENUE O
1EA	EMD SD40 LOCOMOTIVE	3008	SILVIS
1EA	EMD SD40 LOCOMOTIVE	3009	AVENUE O
1EA	EMD SD40 LOCOMOTIVE	3022	SILVIS
1EA	EMD SD40 LOCOMOTIVE	HP3022	SILVIS
1EA	EMD SD40 LOCOMOTIVE	3027	SILVIS
1EA	EMD SD40 LOCOMOTIVE	3057	SILVIS
1EA	EMD SD40 LOCOMOTIVE	3059	SILVIS
1EA	EMD SD40 LOCOMOTIVE	3095	SILVIS
1EA	EMD SD40 LOCOMOTIVE	3103	SILVIS
1EA	EMD SD40 LOCOMOTIVE	6414	SILVIS
1EA	EMD SD40-2 LOCOMOTIVE	3130	SILVIS
1EA	EMD SD40-2 LOCOMOTIVE	6338	DIXMOOR
1EA	EMD SD40-2 LOCOMOTIVE	6910	SILVIS
1EA	EMD SD40T-2 LOCOMOTIVE	5402	SILVIS
1EA	EMD SD45 LOCOMOTIVE	3118	SILVIS
1EA	EMD SD45 LOCOMOTIVE	3136	SILVIS
1EA	EMD SD45 LOCOMOTIVE	6455	SILVIS
1EA	EMD SD45 LOCOMOTIVE	6466	SILVIS
1EA	EMD SD45 LOCOMOTIVE	6470	SILVIS
1EA	EMD SD45 LOCOMOTIVE	6496	SILVIS
1EA	EMD SD45 LOCOMOTIVE	6516	SILVIS
1EA	EMD SD45 LOCOMOTIVE	6519	SILVIS
1EA	EMD SD45 LOCOMOTIVE	6520	SILVIS
1EA	EMD SD45 LOCOMOTIVE	6435	SILVIS
1EA	EMD SD45 LOCOMOTIVE	6550	SILVIS
1EA	EMD SD45 LOCOMOTIVE	6689	SILVIS
1EA	EMD SD45 LOCOMOTIVE	9020	SILVIS
1EA	EMD SD45 LOCOMOTIVE	9058	SILVIS
1EA	EMD SD45 LOCOMOTIVE	9074	SILVIS
1EA	EMD SD45 LOCOMOTIVE	9085	SILVIS
1EA	EMD SD45 LOCOMOTIVE	9130	SILVIS
1EA	EMD SD45 LOCOMOTIVE	9140	SILVIS
1EA	EMD SD45M LOCOMOTIVE	6400	SILVIS
1EA	EMD SD45M LOCOMOTIVE	6512	SILVIS
1EA	EMD SD45M LOCOMOTIVE	6536	SILVIS
1EA	EMD SD45M LOCOMOTIVE	6567	SILVIS
1EA	EMD SDP45 LOCOMOTIVE	6592	SILVIS
1EA	GE U238 LOCOMOTIVE	542	SILVIS
1EA	GE U238 LOCOMOTIVE	547	SILVIS
1EA	GE U238 LOCOMOTIVE	548	SILVIS
1EA	GE U238 LOCOMOTIVE	4509	SILVIS
1EA	GE U238 LOCOMOTIVE	4515	SILVIS

NATIONAL RAILWAY EQUIPMENT COMPANY  
COMBINED LEASED LOCOMOTIVES  
OCTOBER 31, 1991

QUANTITY	DESCRIPTION	ROAD #	LOCATION
1EA	EMD GP9 LOCOMOTIVE 1/2	6179	H & E
1EA	EMD CF7 LOCOMOTIVE	2476	DSR
1EA	EMD CF7 LOCOMOTIVE	2570	DSR
1EA	EMD CF7 LOCOMOTIVE	2585	DSR
1EA	EMD CF7 LOCOMOTIVE	2605	DSR
1EA	EMD CF7 LOCOMOTIVE	2626	DSR
1EA	EMD CF7 LOCOMOTIVE	2629	DSR
1EA	EMD GP10 LOCOMOTIVE	1404	IOWA INT.
1EA	EMD GP10 LOCOMOTIVE	1405	IOWA INT.
1EA	EMD CF7 LOCOMOTIVE	300	RRV&W
1EA	EMD CF7 LOCOMOTIVE	301	RRV&W
1EA	EMD CF7 LOCOMOTIVE	302	RRV&W
1EA	EMD CF7 LOCOMOTIVE	303	RRV&W
1EA	EMD CF7 LOCOMOTIVE	304	RRV&W
1EA	EMD CF7 LOCOMOTIVE	305	RRV&W
1EA	EMD CF7 LOCOMOTIVE	306	RRV&W
1EA	EMD CF7 LOCOMOTIVE	307	RRV&W
1EA	EMD CF7 LOCOMOTIVE	308	RRV&W
1EA	EMD CF7 LOCOMOTIVE	309	RRV&W
1EA	EMD GP7 LOCOMOTIVE	85	KLS&C
1EA	EMD MP15 LOCOMOTIVE	1013	UP
1EA	EMD SW1200 LOCOMOTIVE	12	WHEEL PITT
1EA	EMD SW900 LOCOMOTIVE	1199	HOLNAM
1EA	EMD GP20 LOCOMOTIVE	2001	ARIZ. & CALIF.
1EA	EMD GP20 LOCOMOTIVE	2002	ARIZ. & CALIF.
1EA	EMD GP20 LOCOMOTIVE	2003/2006	ARIZ. & CALIF.
1EA	EMD GP20 LOCOMOTIVE	2004	ARIZ. & CALIF.
1EA	EMD GP20 LOCOMOTIVE	2005	ARIZ. & CALIF.
1EA	EMD GP40 LOCOMOTIVE	AEE #1	AMER. EUROPEAN
1EA	EMD GP40-2 LOCOMOTIVE	AEE #2	AMER. EUROPEAN
1EA	EMD GP7 LOCOMOTIVE	2054	JAXPORT
1EA	EMD GP7 LOCOMOTIVE	2057	JAXPORT
1EA	EMD GP9 LOCOMOTIVE	1791	FORT SMITH
1EA	EMD GP9 LOCOMOTIVE	1902	FORT SMITH
1EA	EMD GP10 LOCOMOTIVE	8028/408	TC&W

NATIONAL RAILWAY EQUIPMENT COMPANY  
LEASED PARTS  
OCTOBER 31, 1991

DESCRIPITON	LOCATION
AIR BRAKE EQUIPHENT	C&NW
BALLAST REGUALTOR	DSR
TIE EXCHANGER	DSR
TAMPER	DSR
SPIKE DRIVER	DSR
SPIKE SETTER-DRIVER	DSR
RAILGEAR	DSR
RAIL LIFTER	DSR
RAIL LIFTER	DSR
SPIKE PULLER	DSR
SAFETRAN BOLT MACHINE	DSR
RC-60 HOLMES CRANE S/N 65881	DSR
CASE BACK HOE S/N 9056254	DSR
1985 BELA TRAILER	DSR
TIE INSERTER,	DSR
TIE CRANE, SPIKE PUPPLER, RAIL LIFTER	DSR

\$.

# Interstate Commerce Commission

Washington, D.C. 20423

12/19/91

OFFICE OF THE SECRETARY

Kathleen A. Finefrock

Schwartz & Freeman

401 North Michigan Avenue

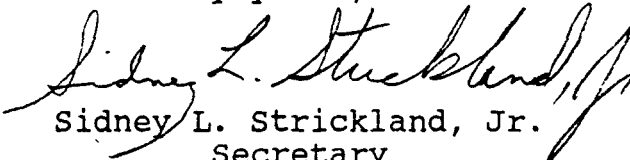
Suite 1900

Chicago, Illinois- 60611

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/19/91 at 3:10pm, and assigned recordation number(s). 17636

Sincerely yours,

  
Sidney L. Strickland, Jr.  
Secretary

LOAN AND SECURITY AGREEMENT

17636  
DEC 19 1991 - 3 10 PM

INTERSTATE COMMERCE COMMISSION

THIS LOAN AND SECURITY AGREEMENT (this "Agreement"), dated as of the 18th day of December, 1991, by and between LASALLE NATIONAL BANK ("Bank"), a national banking association with its principal place of business at 120 South LaSalle Street, Chicago, Illinois 60603, and NATIONAL RAILWAY EQUIPMENT CO. ("Borrower"), an Illinois corporation with its principal place of business at 14400 S. Robey, Dixmoor, Illinois 60426.

RECITALS

A. Borrower has requested that Bank loan monies to Borrower; and

B. As an inducement to Bank to loan monies to Borrower, Borrower has pledged certain assets as security for Borrower's Liabilities (as hereinafter defined); and

C. Bank, upon acceptance of this Agreement in writing, will lend monies and/or make advances, extensions of credit or other financial accommodations to, on behalf or for the benefit of Borrower pursuant hereto.

NOW THEREFORE, in consideration of any loan, advance, extension of credit and/or other financial accommodation at any time made by Bank to or for the benefit of Borrower, and of the promises set forth herein, the parties hereto agree as follows:

1. DEFINITIONS AND TERMS

1.1 Definitions. The following words, terms and/or phrases shall have the meanings set forth thereafter and such meanings shall be applicable to the singular and plural form thereof, giving effect to the numerical difference; whenever the context so requires, the use of "it" in reference to Borrower shall mean Borrower as identified at the beginning of this Agreement:

A. "Account": the definition ascribed to this term in Paragraph 4.1 below.

B. "Affiliate": any "Person" (hereinafter defined) (i) in which Borrower, one or more partners of Borrower, one or more equity interest holders of Borrower, any "Subsidiary" (hereinafter defined), and/or any "Parent" (hereinafter defined), individually, jointly and/or severally, now or at any time or times hereafter, has or have an equity or other ownership interest equal to or in excess of five percent (5%) of the total equity of or other ownership interest in such Person; and/or (ii) which directly or indirectly through one or more intermediaries controls or is controlled by, or is under common control with Borrower. For

purposes of this definition, control shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of "Stock" (hereinafter defined), by contract or otherwise.

C. "Agreement": this Loan and Security Agreement.

D. "And/or": one or the other or both, or any one or more or all, of the things or Persons in connection with which the conjunction is used.

E. "Borrower's Liabilities": all obligations and liabilities of Borrower to Bank (including, without limitation, all debts, claims and indebtedness) whether primary, secondary, direct, contingent, fixed or otherwise, heretofore, now and/or from time to time hereafter owing, due or payable, however evidenced, created, incurred, acquired or owing and however arising, whether under this Agreement or the "Other Agreements" (hereinafter defined), or by oral agreement or operation of law or otherwise. The face amount of any letters of credit or indemnifications made by Bank to third parties at the request of and for the benefit of Borrower which are outstanding shall be deemed to be part of Borrower's Liabilities hereunder.

F. "Borrower's Obligations": all terms, conditions, warranties, representations, agreements, undertakings, covenants and provisions (other than Borrower's Liabilities) to be performed, discharged, kept, observed or complied with by Borrower pursuant to this Agreement and/or any of the Other Agreements.

G. "Capital Goods Inventory": the Inventory of Borrower other than Locomotive Inventory, which shall not include Equipment.

H. "Charges": all national, federal, state, county, city, municipal and/or other governmental (or any instrumentality, division, agency, body or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances upon and/or relating to the "Collateral" (hereinafter defined), Borrower's Liabilities, Borrower's Obligations, Borrower's business, Borrower's ownership and/or use of any of its assets, and/or Borrower's income and/or gross receipts.

I. "Collateral": the definition ascribed to this term in Paragraph 4.1 below.

J. "Eligible Accounts": the definition ascribed to this term in Paragraph 5.1 below.

K. "Eligible Inventory": the definition ascribed to this term in Paragraph 6.1 below.



L. "Equipment": the definition ascribed to this term in Paragraph 4.1 below.

M. "Event of Default": the definition ascribed to this term in Paragraph 11.1 below.

N. "Financials": those financial statements of Borrower and/or Parent heretofore or concurrently herewith delivered by or on behalf of Borrower to Bank.

O. "General Intangibles": the definition ascribed to this term in Paragraph 4.1 below.

P. "Guarantor": any Person which has guaranteed or hereafter guarantees to Bank the payment, collection or performance of all or any portion of Borrower's Liabilities and/or Borrower's Obligations, and/or has granted or hereafter grants to Bank a security interest in, or lien or encumbrance upon, some or all of such Person's real and/or personal property to secure the payment and/or performance of all or any portion of Borrower's Liabilities and/or Borrower's Obligations.

Q. "Hazardous Material": any hazardous substance, or any pollutant or contaminant defined as such in any applicable local, state or federal environmental protection, health or safety statute, law, ordinance, code, rule or regulation relating to or imposing liability or standards concerning hazardous, toxic or dangerous waste, substance, material, smoke, gas or particulate matter, as now or at any time hereafter in effect, or any other hazardous, toxic or dangerous waste, substance or material, including, without limitation, asbestos, polychlorinated biphenyls, petroleum, including, crude oil or any fraction thereof which is liquid at standard conditions of temperature or pressure, and any radioactive material in any form or condition.

R. "Indebtedness": all obligations and liabilities of Borrower to any Person other than Bank (including, without limitation, all debts, claims and indebtedness) whether primary, secondary, direct, contingent, fixed or otherwise, heretofore, now and/or from time to time hereafter owing, due or payable, however evidenced, created, incurred, acquired or owing and however arising, whether under written or oral agreement, by operation of law, or otherwise. Indebtedness includes, without limiting the generality of the foregoing: (i) obligations or liabilities of any Person that are secured by any lien, claim, encumbrance or security interest upon property owned by Borrower even though Borrower has not assumed or become liable for the payment therefor; and (ii) obligations or liabilities created or arising under any lease of real or personal property, or conditional sale or other title retention agreement with respect to property used and/or acquired by Borrower, even though the rights and remedies of the lessor,

seller and/or lender thereunder are limited to repossession of such property.

S. "Inventory": the definition ascribed to this term in Paragraph 4.1 below.

T. "Lease": any agreement for the lease of Locomotive Inventory by Borrower to a third party which has been assigned to and accepted by Bank.

U. "Leased Inventory": any and all of Borrower's Locomotive Inventory which is under lease from Borrower and which leases Borrower has assigned to Bank.

V. "Lessee": the lessee under a Lease with Borrower.

W. "Loans": any and all loans, advances, extensions of credit and/or other financial accommodations of any kind or nature made by Bank at any time to, for the benefit or at the request of Borrower pursuant to this Agreement and/or any of the Other Agreements.

X. "Locomotive Inventory" shall mean the Inventory of Borrower which consists of locomotives and which is not Leased Inventory.

Y. "Obligor": any Person who is and/or may become obligated to Borrower under or on account of Accounts.

Z. "Other Agreements": all agreements, instruments and documents, including, without limitation, bond agreements, loan agreements, security agreements, guaranties, mortgages, deeds of trust, notes, applications and agreements for letters of credit, letters of credit, advices of credit, bankers acceptances, pledges, powers of attorney, consents, assignments, contracts, notices, leases, financing statements and all other written matter heretofore, now and/or from time to time hereafter executed by and/or on behalf of Borrower and delivered to Bank, or issued by Bank upon the application and/or other request of, and on behalf of, Borrower.

AA. "Parent": any Person, now or at any time or times hereafter, owning or controlling (alone or with Borrower, any Subsidiary and/or any other Person) at least a majority of the issued and outstanding Stock or other ownership interest of Borrower or any Subsidiary (hereinafter defined). For purposes of this definition control shall have the same meaning ascribed to this term in Subparagraph 1.1(B) above.

BB "Person": any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, entity, party or government

(whether national, federal, state, county, city, municipal or otherwise, including without limitation any instrumentality, division, agency, body or department thereof).

CC. "Prime Rate": the per annum rate of interest announced or published publicly from time to time by Bank at its principal place of business in Chicago, Illinois as its prime or equivalent rate of interest, which rate is not necessarily the lowest rate of interest charged by Bank with respect to commercial loans. Any change in the Prime Rate shall be effective as of the date announced.

DD. "Records": the definition ascribed to this term in Paragraph 4.1 below.

EE. "Revolving Loan": any one or more loans made or to be made by Bank to Borrower from time to time pursuant to Paragraph 3.1.

FF. "Revolving Note": the Revolving Promissory Note attached hereto as Exhibit A-1 in the original principal amount of \$6,000,000, to be hereafter executed and delivered by Borrower in favor of Bank.

GG. "Stock": all shares, interests, participations or other equivalents (however designated) of or in a corporation, whether or not voting, including, but not limited to, common stock, warrants, preferred stock, convertible debentures and all agreements, instruments and documents convertible, in whole or in part, into any one or more or all of the foregoing.

HH. "Subsidiary": any Person at least a majority of whose issued and outstanding Stock or other ownership interests now or at any time hereafter is owned by Borrower and/or one or more Subsidiaries.

II. "Tangible Net Worth": as determined at any time, the total of shareholders' equity (including capital stock, additional paid-in capital, shareholder loans subordinated to Borrower's Liabilities and retained earnings after deducting treasury stock) of Borrower calculated in accordance with generally accepted accounting principles, consistently applied, less the sum of the total amount of any accounts receivable or indebtedness due from Affiliates and intangible assets, which, for purposes of this definition, shall include, without limitation, General Intangibles and, if applicable, any prepaid expenses and good will.

JJ. "Term Loan": the loan made or to be made by Bank to Borrower pursuant to Paragraph 3.

KK. "Term Note": the Term Promissory Note attached hereto as Exhibit A-2 in the original principal amount of \$4,000,000, to be hereafter executed and delivered by Borrower in favor of Bank.

LL. "Value of Leased Inventory": the lesser of (a) the net book value of the Leased Inventory less the amount of overhead charge made in connection with the item of Leased Inventory or (b) the original cost of such Leased Inventory plus the cost of direct labor and parts incurred by Borrower in rebuilding such Leased Inventory. Notwithstanding the above, the Value of Leased Inventory for Leases entered into prior to the date of this Agreement shall be the net book value of the Leased Inventory. The Value of Leased Inventory shall be determined as of the date the Equipment is leased or the date of this Agreement, whichever is later. The Value of Leased Inventory shall be determined from the Records of Borrower which shall be maintained in accordance with generally accepted accounting principles and practices, consistently applied.

1.2 Uniform Commercial Code. Except as otherwise defined in this Agreement or the Other Agreements, all words, terms and/or phrases used herein and therein shall be defined by the applicable definition therefor (if any) in the Uniform Commercial Code as adopted by the State of Illinois.

1.3 Accounting Terms. Any accounting terms which are used in this Agreement which are not specifically defined herein shall have the meanings customarily given them in accordance with generally accepted accounting principles.

## 2. LOANS: GENERAL TERMS

2.1 Interest. Borrower's Liabilities shall bear interest at the rate specified in any note or other instrument evidencing the same. If no rate is specified, then each advance under the Revolving Loan shall bear interest at a daily rate (computed on the basis of a 360-day year and charged for actual days elapsed), equal to the daily rate equivalent of the Prime Rate. Each advance under the Term Loan shall bear interest at a daily rate (computed on the basis of a 360-day year and charged for actual days elapsed), equal to the daily rate equivalent of one-half of one percent (0.5%) in excess of the Prime Rate. The foregoing rate of interest shall fluctuate hereafter from time to time concurrently with and in an amount equal to each increase or decrease in the Prime Rate.

2.2 Expiration Date. The Bank's obligation to make Loans to Borrower pursuant to Paragraph 3.1 and 3.2 hereof and Borrower's ability to borrow monies from Bank pursuant to the provisions hereof, shall be in effect until April 30, 1993, ("Revolver Term") unless terminated by Bank upon an Event of Default or pursuant to Paragraph 11.3 below. Notwithstanding the foregoing, at any time that any amount of the Loans remains outstanding, this Agreement and all representations, warranties, covenants, agreements, grants of security and other terms and provisions shall remain in full

force and effect until such remaining Loans are paid, performed and discharged in full.

2.3 Maximum Loan Amount. Notwithstanding anything contained in this Agreement or the Other Agreements to the contrary: the principal portion of Borrower's Liabilities outstanding at any one time shall not exceed in the aggregate \$10,000,000. Bank, in its sole and absolute discretion, at any time and from time to time, may suspend the restrictions imposed in this Paragraph.

2.4 All Liabilities. All of Borrower's Liabilities shall constitute one obligation secured by Bank's security interest, lien or encumbrance in or upon the Collateral and by all other security interests, liens, claims and encumbrances heretofore, now and/or from time to time hereafter granted by Borrower and/or any Guarantor to Bank.

2.5 Business Purpose. Borrower warrants and represents to Bank that Borrower shall use the proceeds of all Loans solely for business purposes and consistently with all applicable laws and statutes. Borrower further warrants and represents to Bank and covenants with Bank that Borrower is not in the business of extending credit for the purpose of purchasing or carrying margin Stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System of the United States of America), and no proceeds of any Loans will be used to purchase or carry any margin Stock or to extend credit to others for the purpose of purchasing or carrying any margin Stock.

2.6 Payment. Except as otherwise provided in this Agreement, or where evidenced by notes or other instruments issued and/or made by Borrower to Bank specifically containing provisions in conflict with this Paragraph (in which event the conflicting provisions of this Agreement or said notes or other instruments shall govern and control) that portion of Borrower's Liabilities consisting of: (a) principal payable on account of any Loans shall be payable by Borrower to Bank, as provided in this Agreement or the Other Agreements; (b) costs, fees and expenses payable by Borrower to Bank shall be payable to Bank or to such other Person or Persons designated by Bank, on demand; (c) interest payable by Borrower to Bank shall be payable by Borrower monthly, as billed; and (d) the balance of Borrower's Liabilities, if any, shall be payable by Borrower to Bank as and when provided in this Agreement or the Other Agreements. All of such payments to Bank shall be payable at Bank's principal place of business specified at the beginning of this Agreement or at such other place or places as Bank may designate in writing to Borrower. All of such payments to Persons other than Bank shall be payable at such place or places as Bank may designate in writing to Borrower.

2.7 Additional Notes. Any one of the Loans may or may not (at Bank's sole and absolute discretion) be evidenced by additional

notes or other instruments issued or made by Borrower to Bank. Where the Loans are not so evidenced, they shall be evidenced solely by entries upon the ledgers, books, records and/or computer records of Bank maintained for that purpose.

2.8 Additional Charges. Borrower shall pay to Bank as part of Borrower's Liabilities, on demand, any and all charges asserted by a bank or similar institution against Bank for or with respect to Bank's forwarding to Borrower or at the direction of Borrower of proceeds of any Loans or for or with respect to Bank's depositing for collection any check or item of payment received and/or delivered to Bank on account of Borrower's Liabilities.

2.9 Disbursements to Protect Collateral. Bank, in its sole and absolute discretion, without notice thereof to Borrower, may disburse any or all proceeds of any Loans to pay any costs, expenses or other amounts required to be paid by Borrower hereunder and not so paid, and/or to pay any Person as Bank deems necessary to insure that the security interest, lien or other encumbrance granted to Bank in the Collateral shall at all times have the priority represented and covenanted in this Agreement and the Other Agreements. All monies so disbursed by Bank shall be a part of Borrower's Liabilities, payable by Borrower to Bank on demand.

2.10 Risk-based Capital. If Bank shall determine at any time after the date hereof that the adoption of any law, rule or regulation regarding capital adequacy, or any change therein or in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof or compliance by Bank with any request or directive regarding capital adequacy (whether or not having the force of law) from any such authority, central bank or comparable agency, has or would have the affect of reducing the rate of return on Bank's capital as a consequence of its obligations hereunder to a level below that which Bank could have achieved but for such adoption, change or compliance (taking into consideration Bank's policies with respect to capital adequacy) by an amount deemed by Bank to be material, then Borrower shall pay to Bank upon demand such amount or amounts, in addition to the amounts payable under the other provisions of this Agreement or the Other Agreements, as will compensate Bank for such reduction. Determinations by Bank for purposes of this Paragraph 2.10 of the additional amount or amounts required to compensate Bank in a respect of the foregoing shall be conclusive in the absence of manifest error. In determining such amount or amounts, Bank may use any reasonable averaging or attribution methods.

2.11 Commitment Fee. In consideration of the Loan and other good and valuable consideration provided by Bank to Borrower hereunder, Borrower agrees to pay to Bank a non-refundable commitment fee in the amount of \$35,000 which shall be due prior to

or contemporaneously with the first disbursement of the loan contemplated in Paragraph 3.1.

### 3. LOANS: DISBURSEMENTS

3.1 Revolving Loan. Provided that an Event of Default does not then exist or would not then be created thereby or any event which with notice or lapse of time or both would constitute an Event of Default does not then exist, Bank shall loan to Borrower on a revolving credit basis (the "Revolving Loan") up to the lesser of (a) \$6,000,000 or the sum of up to (i) 80% of the face amount (less maximum discounts, credits and allowances which may be taken by or granted to Obligors in connection therewith) of all then existing Eligible Accounts, (ii) 50% of the value of all then owned and existing Eligible Inventory which is Locomotive Inventory and which is not Leased Inventory, plus (iii) 25% of the value of Eligible Inventory which is Capital Goods Inventory. The maximum amount which the Bank shall loan to Borrower on Eligible Inventory which is Locomotive Inventory shall be \$3,000,000; provided, however, that, at Borrower's request and in Bank's sole discretion, Bank may advance up to \$4,000,000 on Eligible Inventory which is Locomotive Inventory if the amount advanced in excess of \$3,000,000 is for the purchase of Locomotive Inventory in connection with a specific sale or lease transactions planned by Borrower. The maximum amount which the Bank shall loan to Borrower on Eligible Inventory which is Capital Goods Inventory shall be \$750,000. With each request for an advance under the Revolving Loan, Borrower shall deliver to Bank a Borrowing Base Certificate, executed by the chief financial officer or chief executive officer of Borrower, in form and substance acceptable to Bank certifying as to the borrowing base of Eligible Inventory and Eligible Accounts of Borrower. Any other determination of the value of Eligible Inventory shall be subject to the approval of Lender as to the method and basis for such determination. Borrower warrants and represents to and covenants with Bank that, upon Bank's request therefor, there shall be attached to each Schedule of Accounts or Designation of Inventory a true and correct copy of such invoices, delivery receipts and other documents relating to the Accounts scheduled thereon, or Inventory designated thereon, as the case may be, as Bank may request. Notwithstanding anything in this Paragraph 3.1 to the contrary, Bank may at any time and from time to time, in Bank's sole and absolute discretion, loan to Borrower more than the above stated percentage of Eligible Accounts and/or Eligible Inventory, without notice to any Guarantor or any other Person which might be liable to Bank on account of Borrower's Liabilities and/or Borrower's Obligations, provided, however, that any such over-advance shall not establish a custom or course of dealing or entitle Borrower to any subsequent over-advance under the same or different circumstances. The indebtedness of Borrower under the Revolving Loan shall be evidenced by the Revolving Note.

3.2 Term Loan. Provided that an Event of Default does not then exist or would not then be created thereby or any event which with notice or lapse of time or both would constitute an Event of Default does not then exist, Bank shall loan to Borrower from time to time (the "Term Loan") on an amount equal to the lesser of (a) \$4,000,000 or (b) the sum of (i) 75% of the net present value of rental payments under the Assigned Leases and (ii) 50% of the net book value of Locomotive Inventory which is leased to customers, but which is not Leased Inventory. The Bank shall calculate net present value of the rental payments of an Assigned Lease using a commercially reasonable rate of interest over the balance of the term of such Assigned Lease. The Bank reserves the right to exclude the net book value of any Locomotive Inventory from the calculation of the amount Bank shall loan under the Term Loan, if in Bank's opinion such Locomotive Inventory would not be Eligible Inventory for purposes of the Revolving Loan if such Locomotive Inventory was not leased to a customer of Borrower. To the extent that Borrower repays any principal amount of the outstanding Term Loan at any time, such principal amount shall be available to be advanced to Borrower again under the terms and conditions of the Term Loan. Bank, in its sole discretion, may make advances under the Term Loan at Borrower's request; provided, however, prior to any advance with respect to an item of Leased Inventory, Borrower satisfy the conditions precedent to such disbursement set forth in Paragraph 3.3. Bank, in its sole discretion, may decline to accept any assignment of a lease agreement and, in such event, shall not be obligated to make any advances with respect to such item of Leased Inventory. The indebtedness of Borrower under the Term Loan shall be evidenced by a Term Note.

3.3 Conditions to Disbursement of Term Loan. A condition precedent to Bank making any advance under the Term Loan with respect to an Assigned Lease shall be the delivery by Borrower to Bank, with each request for an advance under the Term Loan, of the following items, each of which shall be in a form acceptable to Bank:

(A) A Collateral Assignment of the Lease to the Bank, and the acceptance by Bank, in its sole discretion, of the Collateral Assignment. The Collateral Assignment shall be in the form attached hereto as Exhibit B;

(B) Original Lease Agreement or a copy certified by an officer of Borrower to be a true and correct copy of the original executed Lease Agreement. If Borrower furnishes Bank with a certified copy of a Lease Agreement, Borrower shall deliver to Bank within 45 days of such advance the original Lease Agreement;

(C) Payment to the Bank of a fee of \$500 for each Lease assigned after the date of this Agreement;



(D) Delivery and Acceptance Certificate from Borrower to Lessee;

(E) Uniform Commercial Code Financing Statement time stamped by the Secretary of State of the state in which the Lessee has its chief executive office showing Borrower as secured party, Lessee as debtor and Bank as assignee;

(F) Appropriate documents for filing with the Interstate Commerce Commission to evidence Bank's lien in the Assigned Lease;

(G) Certificate of Insurance for hazard or property insurance insuring the Lessee and the Borrower and naming Bank as additional insured and as loss payee;

(H) Notice to Lessee of Collateral Assignment of Lease;

(I) Certified copy of corporate or partnership resolutions of Lessee, certified by the Secretary or a general partner of Lessee; and

(J) A Uniform Commercial Code search against the Lessee in the state in which its chief executive office is located.

3.3 Disbursement. Borrower hereby authorizes and directs Bank to disburse, for and on behalf of Borrower and for Borrower's account, the proceeds of any Loans to such Person or Persons as Borrower or any Person specified in Paragraph 13.14 of this Agreement shall direct, whether in writing.

3.4 Warranty on Disbursement. Each Loan shall constitute an automatic warranty and representation by Borrower to Bank that there does not then exist an Event of Default or any event or condition which with notice, lapse of time and/or the making of such Loan would constitute an Event of Default.

#### 4. COLLATERAL: GENERAL TERMS

4.1 Collateral. To secure the prompt payment to Bank of Borrower's Liabilities and the prompt, full and faithful performance by Borrower of Borrower's Obligations, Borrower hereby grants to Bank a security interest in and to, and assigns and pledges to Bank, all of Borrower's now existing and/or owned and hereafter arising and/or acquired: (a) accounts, chattel paper, contract rights, leases, letters of credit, instruments and documents ("Accounts"), and all goods whose sale, lease or other disposition by Borrower have given rise to Accounts and have been returned to or repossessed or stopped in transit by Borrower; (b) all patents, copyrights and trademarks, and all applications for and registrations of the foregoing, all franchise rights,

tradenames, goodwill, beneficial interests, rights to tax refunds and all other general intangibles of any kind or nature whatsoever ("General Intangibles"); (c) all inventory of Borrower, wherever located, whether in transit, held by others for Borrower's account, covered by warehouse receipts, purchase orders leases, and contracts, or in the possession of any carriers, forwarding agents, truckers, warehousemen, vendors or other Persons, including, without limitation, all raw materials, work in process, finished merchandise, supplies, goods, incidentals, office supplies and packaging materials ("Inventory"); (d) goods (other than Inventory), machinery, equipment, vehicles, appliances, furniture, furnishings and fixtures ("Equipment"); (e) monies, reserves, deposits, certificates of deposit and deposit accounts and interest or dividends thereon, securities, cash, cash equivalents and other property now or at any time or times hereafter in the possession or under the control of Bank or its bailee; (f) all patents, copyrights and trademarks, and all applications for and registrations of the foregoing, all franchise rights, tradenames, goodwill, beneficial interests, rights to tax refunds and all other general intangibles of any kind or nature whatsoever ("General Intangibles"); (g) all books, records, computer records, ledger cards, programs and other computer materials, customer and supplier lists, invoices, orders and other property and general intangibles at any time evidencing or relating to Collateral ("Records"); (h) all accessions to any of the Collateral and all substitutions, renewals, improvements and replacements of and additions thereto; (i) all other property of Borrower, real and/or personal, in which Borrower heretofore, now and/or from time to time hereafter has granted or grants to Bank a security interest, assignment, lien, claim or other encumbrance; (j) all insurance policies insuring, or proceeds of or relating to any of the foregoing; and (k) all products and proceeds of the foregoing (whether such proceeds are in the form of cash, cash equivalents, proceeds of insurance policies, Accounts, General Intangibles, Inventory, Equipment, Records or otherwise). All of the foregoing is referred to herein individually and collectively as the "Collateral." Borrower shall make appropriate entries upon its financial statements and Records disclosing Bank's security interest in and assignment and pledge of the Collateral.

4.2 Supplemental Documents. Borrower shall execute and/or deliver to Bank, at any time and from time to time hereafter at the request of Bank, all agreements, instruments, documents and other written matter (the "Supplemental Documentation") that Bank reasonably may request, in form and substance acceptable to Bank, to perfect and maintain perfected Bank's security interest, lien and/or encumbrance in and/or assignment and pledge of the Collateral and to consummate the transactions contemplated in or by this Agreement and the Other Agreements. Borrower, irrevocably, hereby appoints Bank (and all Persons designated by Bank for that purpose) as Borrower's true and lawful agent and attorney-in-fact to sign the name of Borrower on the Supplemental Documentation and

to deliver the Supplemental Documentation to such Persons as Bank, in its sole and absolute discretion, may elect. Borrower agrees that a carbon, photographic or photostatic copy, or other reproduction, of this Agreement or of any financing statement, shall be sufficient as a financing statement.

4.3 Inspection. Bank (by any of its officers, employees and/or agents) shall have the right, at any time or times during Borrower's usual business hours, to inspect the Collateral (and the premises upon which it is located) and all related Records and to verify the amount and condition of or any other matter relating to the Collateral. All costs, fees and expenses incurred by Bank, or for which Bank becomes obligated, in connection with such inspection and/or verification shall constitute part of Borrower's Liabilities, payable by Borrower to Bank on demand.

4.4 Warranties on Collateral. Borrower hereby warrants and represents to and covenants with Bank that: (a) Bank's security interest in the Collateral is now and at all times hereafter shall be perfected and have a first priority; (b) the principal place of business of Borrower is the location specified at the beginning of this Agreement, and Borrower has no other offices or locations and does not keep Collateral at any other office or location, except Avenue O, Chicago, Illinois and 9th Street, Silvis, Illinois and Borrower shall not remove the Records and/or the Collateral from its principal place of business or such other locations and shall not keep any of such Records and/or the Collateral at any other office or location unless Borrower gives Bank written notice thereof at least thirty (30) days prior thereto and the same is within the continental United States of America. Borrower, by written notice delivered to Bank at least thirty (30) days prior thereto, shall advise Bank of Borrower's opening of any new office or place of business or its closing of any then existing office or place of business and any new office or place of business shall be within the continental United States of America.

4.5 Lock Box Account. Borrower and Bank shall establish a lock box account (the "Lock Box Account") for Borrower with Bank pursuant to Bank's customary lock box documentation or other documentation in form or substance satisfactory to Bank. Borrower shall direct all Obligors to remit all payments to the Lock Box Account. Borrower shall deposit all monies, checks, notes, drafts and all other payment for and/or proceeds of Collateral which come into the possession or under the control of Borrower (or any of its shareholders, directors, officers, employees, partners, agents or those Persons acting for or in concert with Borrower) and immediately upon receipt thereof, in kind, in the Lock Box Account. All payments made to the Lock Box Account will be credited to Borrower's Account (conditional upon final collection) on the date of receipt by Bank. Borrower agrees to pay Bank each month any and all fees, costs and expenses associated with the Lock Box Account

to the extent such fees, costs and expenses exceed any earnings credit of Borrower, pursuant to Paragraph 13.3.

4.6 Lock Box Items. Bank, now or at any time hereafter, in its sole and absolute discretion, may take control of, in any manner, and may endorse Borrower's name to any of the items of payment or proceeds described in Paragraph 4.5 above. Borrower, irrevocably, hereby makes, constitutes and appoints Bank (and all Persons designated by Bank for that purpose) as Borrower's true and lawful agent and attorney-in-fact, with power, upon notice to Borrower, to take any such actions.

4.7 Claims Against Collateral. Bank, in its sole and absolute discretion, without waiving or releasing any of Borrower's Obligations or any Event of Default, may at any time or times hereafter, but shall be under no obligation to, pay, acquire and/or accept an assignment of any security interest, lien, encumbrance or claim asserted by any Person against the Collateral. All sums paid by Bank in respect thereof and all costs, fees and expenses, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto incurred by Bank or for which Bank becomes obligated on account thereof shall be part of Borrower's Liabilities payable by Borrower to Bank on demand.

4.8 Evidencing Bank's Lien on Collateral. Immediately upon Borrower's receipt of that portion of the Collateral consisting of chattel paper and/or evidenced by an instrument and/or document Borrower shall mark the same to show that such Collateral is subject to a security interest in favor of Bank and shall deliver the original thereof to Bank, together with appropriate endorsement and/or other specific evidence of assignment thereof to Bank, in form and substance acceptable to Bank.

4.9 Additional Collateral. All such monies, reserves and proceeds and other property of Borrower in the possession of Bank or its bailee at any time or times hereafter are hereby pledged by Borrower to Bank as additional Collateral hereunder, and, in Bank's sole and absolute discretion, may be held by Bank until Borrower's Liabilities are paid in full or, at any time, may be applied by Bank on account of Borrower's Liabilities.

4.10 Sales of Collateral. No authorization given by Bank pursuant to this Agreement or the Other Agreements to sell any specified portion of Collateral or any items thereof, and no waiver by Bank in connection therewith shall establish a custom or constitute a waiver of the prohibition contained in this Agreement against such sales, with respect to any portion of the Collateral or any item thereof not covered by said authorization.

4.11 Application of Monies. Regardless of the adequacy of any Collateral, any deposits or other sums at any time credited by or payable or due from Bank or any bailee of Bank to Borrower, or any

monies, cash, cash equivalents, certificates of deposit, securities, instruments, documents or other assets of Borrower in the possession or control of Bank or its bailee for any purpose may at any time be reduced to cash and applied by Bank to, or setoff by Bank against, Borrower's Liabilities hereunder.

4.12 Warranties on Equipment. Borrower warrants and represents to Bank that (a) Borrower has good, indefeasible, and merchantable title, free and clear of all liens, claims and encumbrances, to and ownership of the Equipment located on each of Borrower's places of business specified in Paragraph 4.4 hereof; (b) the Equipment is adequate and sufficient to conduct the business of Borrower as it is being conducted; and (c) the Equipment shall be kept and/or maintained solely at the locations specified in Paragraph 4.4.

4.13 Covenants on Equipment. Borrower shall keep and maintain the Equipment in good operating condition and repair and shall make all necessary replacements thereof and renewals thereto so that the value and operating efficiency thereof shall at all times be maintained and preserved.

4.14 Evidence of Ownership. Borrower, immediately on demand by Bank, shall deliver to Bank any and all evidence of ownership of, including without limitation, certificates of title to and applications for title to, any Equipment.

4.15 Additional Equipment. Borrower shall notify Bank within five (5) business days after it shall acquire any Equipment covered by certificates of title. With respect to such newly acquired Equipment, Borrower shall deliver to Bank, simultaneously with such notice, the certificates of title relating to such Equipment and appropriate financing statements, if required by applicable law, duly completed by Borrower, to enable Bank to perfect its lien in such Equipment.

## 5. COLLATERAL: ACCOUNTS

5.1 Eligible Account. An "Eligible Account" is an Account that, when scheduled to Bank and at all times thereafter does not violate the negative covenants and similar provisions of this Article and does satisfy the positive covenants and similar provisions of this Article. The following Accounts are not Eligible Accounts: (a) Accounts which remain unpaid for more than ninety (90) days after their invoice dates or Accounts owing by a single Obligor, including a currently scheduled Account, if twenty-five percent (25%) of the balance owing by said Obligor upon Accounts remains unpaid more than ninety (90) days after invoice date; (b) Accounts which are not due and payable within thirty (30) days after their invoice dates; (c) Accounts which represent leases of Leased Inventory; (d) Accounts with respect to which the Obligor is

a director, officer, employee or agent of Borrower or is a Parent, a Subsidiary or an Affiliate; (e) Accounts with respect to which payment by the Obligor is or may be conditional and Accounts commonly known as bill and hold or Accounts of a similar or like arrangement; (f) Accounts with respect to which the Obligor is not a resident or citizen of or otherwise located in the continental United States of America, or with respect to which the Obligor is not subject to service of process in the continental United States of America; (g) Accounts with respect to which the Obligor is the United States of America, any state, county, city, municipal and/or other governmental body, or any department, agency or instrumentality thereof unless Borrower assigns its right to payment of such Accounts to Bank pursuant to the Assignment of Claims Act of 1940, as amended (31 U.S.C. §203, 41 U.S.C. §15, 41 C.F.R. §§1-30, 700 et seq.), or any similar law or regulation relating to the assignment or pledge of such Accounts; (h) Accounts with respect to which Borrower is or may become liable to the Obligor for goods sold or services rendered by such Obligor to Borrower; (i) Accounts with respect to which the goods giving rise thereto have not been shipped and delivered to and accepted as satisfactory by the Obligor thereof or with respect to which the services performed giving rise thereto have not been completed and accepted as satisfactory by the Obligor thereof; (j) Accounts which are not invoiced (and dated as of such date) and sent to the Obligor thereof concurrently with the shipment and delivery to said Obligor of the goods giving rise thereto or the performance of the services giving rise thereto; (k) Accounts with respect to which possession and/or control of the goods sold giving rise thereto is held, maintained or retained by Borrower (or by any agent or custodian of Borrower) for the account of or subject to further and/or future direction from the Obligor thereof; (l) Accounts arising from a "sale on approval" or a "sale or return"; (m) a portion of an Account to the extent that the Obligor has a deduction, credit, counterclaim or a right of set-off against the Account; (n) Accounts with respect to which the Obligor is the subject of bankruptcy or a similar insolvency proceeding or has made an assignment for the benefit of creditors or whose assets have been conveyed to a receiver or trustee; (o) Accounts as to which Bank, at any time or times hereafter, determines, in good faith, that the prospect of payment or performance by the Obligor is or will be impaired; (p) Accounts of an Obligor to the extent, but only the extent, that the same exceed a credit limit determined by Bank in its sole but reasonable discretion, at any time or times hereafter; (q) Accounts with respect to which the Obligor thereof is located in the State of New Jersey or Minnesota or any other jurisdiction which may prohibit the collection of Accounts unless the creditor has qualified to do business in such jurisdiction or otherwise filed the appropriate notice, report or other filing concerning business activities, unless the Borrower has complied with the applicable provisions of such jurisdiction, or is otherwise exempt from such reporting requirements under the laws of

such jurisdiction; and (r) Accounts with respect to which Bank's security interest is not entitled to first priority.

**5.2 Accounts No Longer Eligible.** Borrower, immediately upon learning thereof, shall notify Bank that an Account is no longer an Eligible Account. If the Revolving Loan would then exceed the maximum sum Bank has agreed to loan to Borrower under Paragraph 3.1, then, immediately upon demand from Bank, Borrower shall pay to Bank an amount of money equal to the monies theretofore advanced by Bank to Borrower upon an Account that is no longer an Eligible Account and Bank shall apply such payment to and on account of Borrower's Liabilities. Borrower warrants and represents to and covenants with Bank that, now and at all times hereafter, the aggregate of the then outstanding amounts (less maximum discounts, credits and allowances which may be taken by or granted to Obligors in connection therewith) of all then existing Eligible Accounts shall be at least 125% of the principal portion of Borrower's Liabilities represented by Loans made by Bank to Borrower pursuant to Paragraph 3.1 above with respect to Eligible Accounts. In the event of a breach of such warranty, representation and covenant, Borrower, immediately, shall pay to Bank an amount of money sufficient to cure the same and/or Bank, in its sole and absolute discretion, may pay to itself, for the account of Borrower, from (i) future Loans to be made by Bank to Borrower, and/or (ii) monies, reserves and proceeds received or collected by Bank pursuant to Paragraph 4.9 above, an amount necessary to satisfy (in whole or in part) the foregoing requirement. Notwithstanding Paragraph 11.1 hereof, if Borrower does not timely make such payment or if the funds referred to in clauses (i) and (ii) above are not sufficient therefor, the same shall be deemed an Event of Default by Borrower under this Agreement. Notwithstanding anything in this paragraph 5.2 to the contrary, Bank, at any time and from time to time at its sole discretion may suspend or waive Borrower's compliance with the percentage coverage requirement set forth herein, without notice to Borrower, any Guarantor or any other Person which might be liable to Bank on account of Borrower's Liabilities and/or Borrower's Obligations, provided, however, that any such suspension or waiver shall not establish a custom or course of dealing or entitle Borrower to any subsequent suspension or waiver under the same or different circumstances.

**5.3 Warranties on Accounts.** With respect to Accounts, except as otherwise disclosed by Borrower to Bank in writing, Borrower warrants and represents to Bank that: (a) they are genuine, are in all respects what they purport to be and are not evidenced by a judgment; (b) they represent undisputed, bona fide transactions completed in accordance with the terms and provisions contained in the invoices and other documents delivered to Bank with respect thereto; (c) the amounts thereof, which may be shown on any Schedule of Accounts and/or all invoices and statements delivered to Bank with respect thereto, are actually and absolutely owing to Borrower and are not contingent for any reason; (d) no payments

have been or shall be made thereon except payments immediately delivered to Bank pursuant to this Agreement; (e) there are no setoffs, counterclaims or disputes existing or asserted with respect thereto and Borrower has not made any agreement with any Obligor thereof for any deduction therefrom except a regular discount allowed by Borrower in the ordinary course of its business for prompt payment; (f) there are no facts, events or occurrences which in any way impair the validity or enforceability thereof or tend to reduce the amount payable thereunder from the amount thereof, which may be shown on any Schedule of Accounts and on all invoices and statements delivered to Bank with respect thereto; (g) to the best of Borrower's knowledge all Obligors have the capacity to contract and are solvent; (h) the services furnished and/or goods sold giving rise thereto are not subject to any lien, claim, encumbrance or security interest except that of Bank; (i) Borrower has no knowledge of any fact or circumstance which would impair the validity or collectibility thereof; and (j) to the best of Borrower's knowledge, there are no proceedings or actions which are threatened or pending against any Obligor which might result in any material adverse change in its financial condition.

5.4 Verification of Accounts. Any of Bank's officers, employees or agents shall have the right, at any time or times hereafter, in Bank's name or in the name of a nominee of Bank, to verify the validity, amount or any other matter relating to any Accounts by mail, telephone, telegraph or otherwise. All costs, fees and expenses relating thereto incurred by Bank (or for which Bank becomes obligated) shall be part of Borrower's Liabilities, payable by Borrower to Bank on demand.

5.5 Schedule of Accounts. Within twenty (20) days after the close of business on the last day of each calendar month from and after the date hereof, Borrower shall deliver to Bank, in form and substance acceptable to Bank, a detailed aged trial balance of all then existing Accounts and such other matters and information relating to the status of then existing Accounts as Bank reasonably shall request. Borrower shall keep accurate and complete Records relating to its Accounts, which Records shall be made available to Bank at all times hereafter (during Borrower's customary business hours) for Bank's inspection, copying, verification or otherwise.

5.6 Covenants on Accounts. Unless Bank notifies Borrower in writing that Bank suspends any one or more of the following requirements, Borrower shall: (a) promptly upon Borrower's learning thereof, inform Bank, in writing, of any material delay in Borrower's performance of any of its obligations to any Obligor and of any assertion of any claims, offsets or counterclaims by any Obligor and of any allowances, credits and/or other monies granted by Borrower to any Obligor; (b) not permit or agree to any extension, compromise or settlement or make any change or modification of any kind or nature with respect to any Account, including any of the terms relating thereto; (c) promptly upon



Borrower's receipt or learning thereof, furnish to and inform Bank of all material adverse information relating to the financial condition of any Obligor; and (d) keep all goods returned by any Obligor and all goods repossessed or stopped in transit by Borrower from any Obligor segregated from other property of Borrower, immediately notify Bank of Borrower's possession of such goods, and hold the same as trustee for Bank until otherwise directed in writing by Bank.

#### 5.7 Attorney-in-Fact.

(a) Borrower, irrevocably, hereby designates, makes, constitutes and appoints Bank (and all Persons designated by Bank) as Borrower's true and lawful agent and attorney-in-fact, with power, without notice to Borrower and at such time or times hereafter as Bank, in its sole and absolute discretion may determine in Borrower's or Bank's name: (i) to endorse the name of Borrower upon any of the items of payments or proceeds referred to paragraph 4.5 above and to deposit the same pursuant to paragraph 4.6 above; (ii) to take control, in any manner, of any item of payment or proceeds referred to in paragraph 4.5 above; (iii) to sign the name of Borrower to verifications of the Accounts and notices thereof to Obligors; and (iv) to do all acts and things necessary, in Bank's sole discretion, to fulfill Borrower's Obligations under this Agreement. Bank may exercise the power of attorney in Subsections (ii), (iii) and (iv) only to prevent or cure an act or omission which is an Event of Default or to preserve the Collateral.

(b) Borrower, irrevocably, hereby designates, makes, constitutes and appoints Bank (and all Persons designated by Bank) as Borrower's true and lawful agent and attorney-in-fact from and after an Event of Default, with power, without notice to Borrower and at such time or times hereafter as Bank, in its sole and absolute discretion, may determine, in Borrower's or Bank's name: (a) to demand payment of the Accounts; (b) to enforce payment of the Accounts by legal proceedings or otherwise; (c) to exercise all of Borrower's rights and remedies with respect to the collection of the Accounts; (d) to settle, adjust, compromise, extend or renew the Accounts; (e) to settle, adjust or compromise any legal proceedings brought to collect the Accounts; (f) to sell or assign the Accounts upon such terms, for such amounts and at such time or times as Bank deems advisable; (g) to discharge and release the Accounts; (h) to take control, in any manner, of any item of payment or proceeds referred to in Paragraph 4.5 above; (i) to prepare, file and sign Borrower's name on any notice of lien, assignment or satisfaction of lien or similar document in connection with the Accounts; (j) to prepare, file and sign Borrower's name on any proof of claim in bankruptcy or similar document against any Obligor; (k) to do all acts and things necessary, in Bank's sole discretion, to fulfill Borrower's

Obligations under this Agreement; (l) to endorse the name of Borrower upon any of the items of payment or proceeds referred to in Paragraph 4.5 above and to deposit the same pursuant to Paragraph 4.9 above; (m) to endorse the name of Borrower upon any chattel paper, document, instrument, invoice, freight bill, bill of lading or similar document or agreement relating to the Accounts; and (n) to prepare, file and sign Borrower's name on any notice of lien, assignment or satisfaction of lien or similar document in connection with the Accounts.

5.8 Rights of Bank. From and after an Event of Default, Bank shall have the right, from time to time, in its sole and absolute discretion, without notice thereof to Borrower: (a) to notify any or all Obligor that the Accounts have been assigned to Bank and that Bank has a security interest therein; (b) to direct such Obligor to make all payments due from them to Borrower upon the Accounts directly to Bank; (c) to enforce payment of and collect, by legal proceedings or otherwise, the Accounts in the name of Bank and Borrower; and (d) to take control, in any manner, of any item of payment or proceeds referred to in Paragraph 4.5 above.

## 6. COLLATERAL: INVENTORY

6.1 Eligible Inventory. "Eligible Inventory" shall mean the Locomotive Inventory and Capital Goods Inventory which meet the following provisions: (a) consists of raw materials and finished goods of all types and descriptions and goods acquired and held for resale; (b) is not Leased Inventory or otherwise leased to customers of Borrower; (c) is located at one of the locations set forth in Paragraph 4.4; (d) does not violate the negative covenants and similar provisions of this Article and does satisfy the positive covenants and similar provisions of this Article; (e) Bank has in good faith determined, in accordance with Bank's customary business practices, is not unacceptable due to age, type, category and/or quantity; and (f) in which Bank has a first and valid fully perfected security interest. Borrower warrants and represents to and covenants with Bank that the value of Eligible Inventory which is Locomotive Inventory is now and shall be at all times hereafter at least 200% of the then principal portion of Borrower's Liabilities represented by Loans made by Bank to Borrower pursuant to paragraph 3.2 above with respect to Eligible Inventory which is Locomotive Inventory. Borrower warrants and represents to and covenants with Bank that the value of Eligible Inventory which is Capital Goods Inventory is now and shall be at all times hereafter at least 400% of the then principal portion of Borrower's Liabilities represented by Loans made by Bank to Borrower pursuant to paragraph 3.2 above with respect to Eligible Inventory which is Capital Goods Inventory.

6.2 Warranties on Inventory. Borrower warrants and represents to and covenants with Bank that: (a) Inventory shall be

kept only at the locations specified in Paragraph 4.4 hereof; (b) Borrower, immediately upon demand by Bank therefor, now and from time to time hereafter, shall execute and deliver to Bank Designations of Inventory specifying Borrower's cost and value of Inventory and such other matters and information relating to Inventory as Bank may request; (c) Borrower does now keep and hereafter at all times shall keep correct and accurate Records itemizing and describing the kind, type, quality and quantity of Inventory, Borrower's cost therefor and selling price thereof and the daily withdrawals therefrom and additions thereto, all of which Records shall be available (during Borrower's usual business hours), upon demand, to any of Bank's officers, employees or agents for inspection and copying thereof; (d) all Inventory is now and hereafter at all times shall be of good, merchantable and first-grade quality, free from defects; (e) Inventory shall not now or at any time or times hereafter be comprised of any altered, damaged, out-dated, second-grade, second-hand, out-of-style, discontinued or reconditioned goods; (f) Inventory is not now and shall not at any time or times hereafter be stored with a bailee, warehouseman or similar party without Bank's prior written consent, and, in such event, Borrower will concurrently therewith cause any such bailee, warehouseman or similar party to issue and deliver to Bank, in form and substance acceptable to Bank, warehouse receipts therefor in Bank's name; (g) Inventory is not now and hereafter shall not be at any time subject to any lien or security interest whatsoever, except the security interest granted to Bank hereunder; (h) any of Bank's officers, employees or agents shall have the right, upon demand, now and at any time or times hereafter during Borrower's usual business hours, to inspect and examine Inventory and to check and test the same as to quality, quantity, value and condition; and (i) Bank's exercise of any of the rights or remedies described in Article 11 of this Agreement or in any of the Other Agreements shall not constitute a violation of any applicable law, or a breach of any provision contained in any agreement, instrument or document concerning the assignment or license of, or the payment of royalties for, any patents, patent rights, tradenames, trademarks, trade secrets, know-how, copyrights or any other form of intellectual property now or at any time or times hereafter protected as such by any applicable law. All costs, fees and expenses incurred by Bank in connection therewith (or which Bank becomes obligated to pay) shall be part of Borrower's Liabilities, payable by Borrower to Bank on demand.

6.3 Inventory No Longer Eligible Inventory. In the event of a breach of the warranty with respect to the value of Eligible Inventory, contained in paragraph 6.1 above, Borrower, immediately, shall pay to Bank an amount of monies sufficient to cure the same and/or Bank in its sole and absolute discretion, may pay to itself, for the account of Borrower, from (i) future Loans to be made by Bank to Borrower, and/or (ii) monies, reserves and proceeds received or collected by Bank pursuant to Paragraph 4.9 above, an amount necessary to satisfy (in whole or in part) the foregoing

requirement. Notwithstanding Paragraph 11.1 hereof, if Borrower does not timely make such payment or if the monies referred to in clauses (i) and (ii) above are not sufficient therefor, the same shall be deemed an Event of Default by Borrower under this Agreement. Notwithstanding anything in paragraph 6.1 or this paragraph 6.3 to the contrary, Bank, at any time and from to time in its sole discretion may suspend or waive Borrower's compliance with the warranty with respect to the value of Eligible Inventory, without notice to Borrower, any Guarantor or any other Person which might be liable to Bank on account of Borrower's Liabilities and/or Borrower's Obligations, provided, however, that any such suspension or waiver shall not establish a custom or course of dealing or entitle Borrower to any subsequent suspension or waiver under the same or different circumstances.

6.4 Sale of Inventory. Borrower may sell Inventory in the ordinary course of its business (which does not include a transfer in partial or total satisfaction of Indebtedness), except that Borrower may not sell any Inventory at any time or times after the occurrence of an Event of Default which has not been waived or after which the Loan has not been reinstated. In no event shall Borrower make any sale of Inventory which would cause a breach of Paragraph 6.1 above.

6.5 Covenants on Inventory. Borrower shall be liable and responsible for: (a) the safekeeping of Inventory; (b) any loss or damage thereto or destruction thereof occurring or arising in any manner or fashion from any cause; (c) any diminution in the value thereof; or (d) any act or default of any carrier, warehouseman, bailee or forwarding agency thereof or other Person whomsoever.

6.6 Schedule of Inventory. Within twenty (20) days after the close of business on the last day of each calendar month from and after the date hereof, Borrower shall deliver to Bank, in form and substance acceptable to Bank, a report of all then owned and existing Inventory and in such form and with such other matters and information relating to the status and value of then owned and existing Inventory as Bank reasonably shall request. Borrower shall keep accurate and complete Records relating to its Inventory, which records shall be made available to Bank at all times hereafter (during Borrower's customary business hours) for Bank's inspection, copying, verification or review.

## 7. COLLATERAL: LEASES

7.1 Leases. An "Assigned Lease" is a agreement evidencing the lease by Borrower of Locomotive Inventory to a customer of Borrower ("Lessee") which has been assigned by Borrower to, and accepted by, Bank and that, when assigned to Bank and at all times thereafter does not violate the negative covenants and similar provisions of this Article and does satisfy the positive covenants

and similar provisions of this Article. The following leases are not Assigned Leases:

(a) Assigned Leases under which the Lessee owes Borrower more than three (3) months rent or is in default under the terms of the Assigned Lease and any applicable cure period has expired;

(b) a portion of an Assigned Lease to the extent the Lessee has a deduction, credit, counterclaim or a right of set-off against the Lease;

(c) Assigned Leases with respect to which the Lessee is the subject of bankruptcy or a similar insolvency proceeding or has made an assignment for the benefit of creditors or whose assets have been conveyed to a receiver or trustee;

(d) Assigned Leases as to which Bank, at any time or times hereafter, determines, in good faith, that the prospect of payment or performance by the Lessee is or will be impaired;

(e) Assigned Leases with respect to which Bank's assignment and security interest is not entitled to first priority;

(f) Assigned Leases which have been canceled, terminated or under which the Leased Equipment has been surrendered or under which the Lessee has exercised any right to purchase the Leased Equipment; or

(g) Assigned Leases if the Leased Equipment under such Assigned Lease is lost, stolen, destroyed or otherwise damaged and such loss or damage is not covered by insurance.

7.2 Leases No Longer Eligible. Borrower, immediately upon learning thereof, shall notify Bank that a lease agreement is no longer an Assigned Lease. In such event, immediately upon demand from Bank, Borrower shall pay to Bank the outstanding principal amount, and any accrued interest, theretofore advanced by Bank to Borrower with respect to such Assigned Lease and Bank shall apply such payment to and on account of Borrower's Liabilities. Notwithstanding Paragraph 11.1 hereof, if Borrower does not timely make such payment or if the funds referred to in clauses (i) and (ii) above are not sufficient therefor, the same shall be deemed an Event of Default by Borrower under this Agreement.

7.3 Warranties on Leases. With respect to each Assigned Lease, except as otherwise disclosed by Borrower to Bank in writing, Borrower warrants and represents to Bank that on the date that an Assigned Lease is assigned to Bank:

(a) Borrower has good, indefeasible, and merchantable title, free and clear of all liens, claims and encumbrances, to and ownership of the Leased Equipment and Borrower will not grant a security interest in the Collateral or sell the Collateral to any other party;

(b) Borrower has full power and authority to enter into the Assigned Lease;

(c) The Assigned Lease is genuine, and is in all respects what it purports to be and Borrower will not modify the terms of, terminate or supersede any Assigned Lease, and will fully and faithfully perform each and every obligation Borrower has under the Assigned Lease;

(d) the Assigned Lease represents an undisputed, bona fide transaction completed in accordance with the terms and provisions contained in the lease agreement and other documents delivered to Bank with respect thereto;

(e) to the best of Borrower's knowledge the Lessee has the capacity to contract and is solvent and Borrower has no knowledge of any fact or circumstance which would impair the validity or collectibility of the Assigned Lease;

(f) to the best of Borrower's knowledge, but without duty to inquiry, there are no proceedings or actions which are threatened or pending against any Lessee which might result in any material adverse change in its financial condition.

(g) Borrower shall keep and maintain, at its sole cost and expense, or cause Lessee to keep and maintain the Leased Equipment insured under all risk property insurance for the greater of the full insurable value or the full replacement value thereof. All such policies of insurance shall be in the form and with the terms provided in the Loan Agreement;

(h) Borrower shall or shall cause Lessee to keep and maintain the Leased Equipment in good operating condition and repair and shall make all necessary replacements thereof and renewals thereto so that the value and operating efficiency thereof shall at all times be maintained and preserved.

(i) The Leased Equipment has been delivered to and accepted by each Lessee. No Assigned Lease is in default and each Lessee has promptly made all payments due under its respective Assigned Lease.

(j) Borrower, upon request by Bank and at Borrower's cost and expense, will cause all financing and continuation statements and similar notices required by applicable law at all times to be kept, recorded and filed in such manner and in

such places as may be required by law or reasonably requested by the Bank in order to preserve and protect the rights of the Bank in and to the Collateral;

(k) Without Bank's consent, Borrower will not (i) cancel, terminate or surrender any Assigned Lease or schedule or consent to or accept any cancellation, termination or surrender thereof otherwise than as may be provided in the Assigned Lease, (ii) give any consent, waiver or approval to any default or breach under the Assigned Lease, (iii) consent to or permit or accept any prepayment under any Assigned Lease, except as may be expressly provided thereunder, (iv) declare a default or exercise the remedies of the Lessor under any Assigned Lease, including, but not limited to, repossession or consent to the return of any of the Leased Equipment, unless, upon such declaration or exercise, Borrower shall pay to Bank the outstanding principal balance, and all accrued interest thereon, advanced by Bank to Borrower with respect to such Assigned Lease, or (v) take any other action (or fail to take any action) in connection with any Leased Equipment or Assigned Lease which would impair the interest or rights of Borrower or Bank thereunder or in the Leased Equipment.

7.4 Verification of Leases. Any of Bank's officers, employees or agents shall have the right, at any time or times hereafter, in Bank's name or in the name of a nominee of Bank, to verify the validity, amount or any other matter relating to any Leases by mail, telephone, telegraph or otherwise. All costs, fees and expenses relating thereto incurred by Bank (or for which Bank becomes obligated) shall be part of Borrower's Liabilities, payable by Borrower to Bank on demand.

7.5 Schedule of Leases. Within twenty (20) days after the close of business on the last day of each calendar month from and after the date hereof, Borrower shall deliver to Bank, in form and substance acceptable to Bank, a detailed certificate of all then existing Leases, the date through which rent under the Lease has been paid and such other matters and information relating to the status of then existing Leases as Bank reasonably shall request. Borrower shall keep accurate and complete Records relating to its Leases, which Records shall be made available to Bank at all times hereafter (during Borrower's customary business hours) for Bank's inspection, copying, verification or otherwise.

7.6 Covenants on Leases. Unless Bank notifies Borrower in writing that Bank suspends any one or more of the following requirements, Borrower shall: (a) promptly upon Borrower's learning thereof, inform Bank, in writing, of any assertion of any claims, offsets or counterclaims by any Lessee and of any allowances, credits and/or other monies granted by Borrower to any Lessee; (b) not permit or agree to any extension, compromise or settlement or

make any change or modification of any kind or nature with respect to any Lease, including any of the terms relating thereto; and (c) promptly upon Borrower's receipt or learning thereof, furnish to and inform Bank of all material adverse information relating to the financial condition of any Lessee.

8. WARRANTIES, REPRESENTATIONS AND COVENANTS:  
INSURANCE AND TAXES

8.1 Maintenance of Collateral. Borrower, at its sole cost and expense, shall keep and maintain: (a) the Collateral insured for the greater of the full insurable value or the full replacement value thereof against loss or damage by fire, theft, explosion, sprinklers and all other hazards and risks ordinarily insured against by other owners or users of properties in similar businesses; (b) business interruption insurance; and (c) public liability insurance relating to Borrower's ownership and use of its assets. All such policies of insurance shall be in form, with insurers and in such amounts as may be satisfactory to Bank. Borrower shall deliver to Bank certificates for each policy of insurance, evidence of payment of all premiums for each such policy and, upon Bank's request therefor, copies of all such policies. Such policies of insurance (except those of public liability) shall contain a lender loss payable endorsement, in form and substance acceptable to Bank, showing loss payable to Bank. Such endorsement or an independent instrument furnished to Bank, shall provide that all insurance companies will give Bank at least thirty (30) days prior written notice before any such policy or policies of insurance shall be altered or canceled and that no act or default of Borrower or any other Person shall affect the right of Bank to recover under such policy or policies of insurance in case of loss or damage. Borrower hereby directs all insurers under such policies of insurance (except those of public liability) to pay all proceeds payable thereunder directly to Bank. Borrower, irrevocably, appoints Bank (and all officers, employees or agents designated by Bank) as Borrower's true and lawful agent and attorney-in-fact for the purpose of endorsing the name of Borrower on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance. Furthermore, Borrower, irrevocably, appoints Bank (and all officers, employees or agents designated by Bank) as Borrower's true and lawful agent and attorney-in-fact, from and after an Event of Default, for purposes of making, settling and adjusting claims under such policies of insurance, and for making all determinations and decisions with respect to such policies of insurance. In the event Borrower at any time or times hereafter shall fail to obtain or maintain any of the policies of insurance required above or to pay any premium in whole or in part relating thereto, then Bank, without waiving or releasing any of Borrower's Obligations or any Event of Default hereunder, may at any time or times thereafter (but shall be under no obligation to do so) obtain and maintain such policies of



insurance and pay such premium and take any other action with respect thereto which Bank deems advisable. All sums so disbursed by Bank, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be part of Borrower's Liabilities, payable by Borrower to Bank on demand.

8.2 Payment of Charges. Borrower shall pay promptly, when due, all of the Charges, provided, however, that notwithstanding the foregoing, Borrower may permit or suffer the Charges to attach to Borrower's assets and may dispute, without prior payment thereof, the Charges, provided that Borrower, in good faith, shall be contesting the same in an appropriate proceeding, enforcement thereof against any assets of Borrower shall be stayed and appropriate reserves therefor shall have been established on the Records of Borrower in accordance with generally accepted accounting principles. In the event Borrower, at any time or times hereafter, shall fail to pay the Charges required herein, Borrower shall so advise Bank thereof in writing; Bank may, without waiving or releasing any of Borrower's Obligations or any Event of Default hereunder, in its sole and absolute discretion, at any time or times thereafter, make such payment, or any part thereof, and take any other action with respect thereto which Bank deems advisable. All sums so paid by Bank and any expenses, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be part of Borrower's Liabilities, payable by Borrower to Bank on demand.

## 9. WARRANTIES, REPRESENTATIONS AND COVENANTS: GENERAL

9.1 Affirmative Covenants. Except as disclosed in writing to Bank, Borrower warrants and represents to and covenants with Bank that:

(A) Borrower is and at all times hereafter shall be a corporation duly organized and existing and in good standing under the laws of Illinois and qualified or licensed to do business and in good standing in all jurisdiction in which the laws thereof require Borrower to be so qualified and/or licensed;

(B) Borrower has the right, power and capacity and is duly authorized and empowered to enter into, execute, deliver and perform this Agreement and the Other Agreements;

(C) the execution, delivery and/or performance by Borrower of this Agreement and the Other Agreements shall not, by the lapse of time, the giving of notice or otherwise, constitute a violation of any applicable law or a breach of any provision contained in Borrower's Articles of Incorporation or By-Laws, or contained in any agreement, instrument or document to which Borrower is now or hereafter a party or by which it is or may become bound, or result in or require the creation of any lien,

security interest, charge or other encumbrance upon or with respect to any now owned or hereafter arising or acquired properties of Borrower;

(D) this Agreement and the Other Agreements are and will be the legal, valid and binding agreements of Borrower enforceable in accordance with the their terms;

(E) Borrower has and at all times hereafter shall have good, indefeasible and merchantable title to and ownership of the Collateral, free and clear of all liens, claims, security interests and encumbrances except and those of Bank, those, if any, specified in Exhibit C hereto;

(F) Borrower is now, and at all times hereafter shall be, solvent and generally paying its debts as they mature and Borrower now owns, and shall at all times hereafter own, property which, at a fair valuation, is greater than the sum of its debts;

(G) Borrower now has capital (including shareholder loans to Borrower which are subordinated to Borrower's Liabilities) sufficient to carry on its business and transactions and all businesses and transactions in which it is about to engage, which capital includes shareholder loans to Borrower which are subordinated to Borrower's Liabilities in an amount of at least \$2,950,000. Borrower shall maintain such capital amount, including the subordinated shareholder loan amount until all liabilities and obligations of Delta Southern Railway to Borrower and all liabilities and obligations which Borrower has incurred for or on behalf of Delta Southern Railway, (including, without limitation, all debts, claims and indebtedness whether primary, secondary, direct, contingent, fixed or otherwise, heretofore, now and/or from time to time hereafter owing, due or payable, however evidenced, created, incurred, acquired or owing and however arising, including, but not limited to guaranties of obligations of Delta Southern Railway) shall, in the aggregate, be no more than \$1,200,000 and Borrower shall give notice to Bank of such repayment. Thereafter Borrower shall maintain shareholder loans to Borrower which are subordinated to Borrower's Liabilities in an amount at least equal to \$2,000,000. Borrower shall have at all times hereafter capital sufficient to carry on its business and transactions and all businesses and transactions in which it is about to engage notwithstanding that such capital shall be in excess of any minimum capital provided for in this Agreement;

(H) there are no actions or proceedings which are pending or threatened against Borrower;

(I) except for trade payables arising in the ordinary course of its business since the dates reflected in the Financials, Indebtedness disclosed in the Financials and the Borrower's Liabilities, Borrower has no Indebtedness;

(J) Borrower possesses adequate assets, licenses, patents, copyrights, trademarks and tradenames to continue to conduct its business as previously conducted by it;

(K) Borrower has and is in good standing with respect to all governmental permits, certificates, consents and franchises necessary to continue to conduct its business as previously conducted by it and to own or lease and operate its properties as now owned or leased by it;

(L) none of said permits, certificates, consents or franchises contain any term, provision, condition or limitation more burdensome than such as are generally applicable to Persons engaged in the same or similar business as Borrower;

(M) Borrower is not a party to any contract or agreement or subject to any charge, restriction, judgment, decree or order materially and adversely affecting its business, property, assets, operations or condition, financial or otherwise;

(N) Borrower is not, and will not be during the term or any renewal term hereof, in violation of any applicable statute, regulation or ordinance of United States, of any province, city, town, municipality, county or of any other jurisdiction, or of any agency thereof;

(O) Borrower has filed or caused to be filed all tax returns which are required to be filed, and has paid all Charges shown to be due and payable on said returns or on any assessments made against it or any of its property, and all other Charges imposed on it or any of its properties by any governmental authority;

(P) Borrower is not in default with respect to any indenture, loan agreement, mortgage, deed or other similar agreement relating to the borrowing of monies to which it is a party or by which it is bound;

(Q) the Financials fairly and accurately present the assets, liabilities and financial conditions and results of operations of Borrower and such other Persons described therein as of and for the periods ending on such dates and have been prepared in accordance with generally accepted accounting principles and such principles have been applied on a basis consistently followed in all material respects throughout the periods involved;

(R) there has been no material and adverse change in the assets, liabilities or financial condition of Borrower since the date of the Financials; and

(S) the execution, delivery and performance by Borrower of this Agreement and/or the Other Agreements will not, except to

the extent caused by independent actions of Bank, impose on or subject Bank to any liability, whether fixed or contingent, in respect of any environmental protection or other law, rule or regulation (including, without limitation, rules and regulations of the United States Environmental Protection Agency) controlling, governing or relating to the pollution or contamination of the air, water or land.

(T) Borrower shall keep in full force and effect and all pension, profit sharing, employee benefit or employee welfare plans which are presently in existence or which may come into existence and make all required contributions to such plan unless such plan may be terminated without any material liability to or material adverse effect on the Borrower.

(U) Borrower shall provide to Bank, at least once each six (6) month period during the term of the Loan, an appraisal of all Inventory, in form and substance, and prepared by an appraiser, acceptable to Bank.

(V) for a period of at least sixty (60) consecutive days in each calendar year the value of the Locomotive Inventory as shown on the Records of Borrower shall not exceed \$5,500,000.

(W) not more than one hundred twenty (120) days from the date hereof, Borrower shall repay to Bank under the Term Loan an amount equal to any amount advanced to Borrower by Bank in connection with that certain equipment lease from Borrower to Chicago Northwestern Railroad dated as of November 1, 1991 ("CNW Lease") and thereafter the CNW Lease shall not be treated as a Lease for purposes of advances under the Term Loan and the Leased Inventory which is the subject of the CNW Lease shall be deemed to have no Value.

9.2 Negative Covenants. Borrower warrants and represents to and covenants with Bank that Borrower shall not, without Bank's prior written consent thereto, which Bank may or may not give in its sole discretion, concurrently or hereafter:

(A) grant a security interest in, assign, sell or transfer any of Borrower's assets to any Person or permit, grant, or suffer a lien, claim or encumbrance upon any of Borrower's assets except: (i) liens created by this Agreement and the Other Agreements; and (ii) liens for Charges which are not yet due and payable;

(B) permit or suffer any levy, attachment or restraint to be made affecting any of its assets or the Collateral;

(C) permit or suffer any receiver, trustee or assignee for the benefit of creditors, or any other custodian to be

appointed to take possession of all or any of Borrower's assets or any of the Collateral;

(D) merge or consolidate with or acquire any Person, or sell all or substantially all of its assets to any Person;

(E) modify, amend or supplement Borrower's Articles of Incorporation or similar document;

(F) suffer or permit any change in the record or beneficial ownership of any of Borrower's Stock;

(G) enter into any transaction not in the ordinary course of business which materially and adversely affects Borrower's ability to repay Borrower's Liabilities or Indebtedness, or materially and adversely affects the Collateral;

(H) other than in the ordinary course of business, make any investment in the Stock or obligations of any Person, provided, however, notwithstanding the foregoing, Borrower may make investments in certificates of deposit of a banking institution having a net worth acceptable to Bank;

(I) guaranty or otherwise, in any way, become liable with respect to the obligations or liabilities of any Person, including, without limitation, by agreement to maintain net worth or working capital, or to purchase the obligations or property of any such Person, or to furnish funds to any such Person, directly or indirectly, through the purchase of goods, supplies or services, or obtain upon its credit the issuance of any letter or letters of credit for the obligations of any such Person, provided, however, that the foregoing shall not apply to endorsement of instruments or items of payment for deposit or collection in the ordinary course of business;

(J) make any material change in Borrower's capital structure or in any of its business objectives, purposes and operations;

(K) other than as specifically permitted in or contemplated by this Agreement, encumber, pledge, mortgage, sell, lease or otherwise dispose of or transfer, whether by sale, merger, consolidation or otherwise, any of Borrower's assets;

(L) redeem, retire, purchase or otherwise acquire, directly or indirectly, any of Borrower's Stock or other evidence of ownership interest;

(M) redeem or otherwise acquire any Indebtedness, except as required in accordance with the express terms of the agreement

or instrument creating or evidencing such Indebtedness and then so long as no Event of Default shall have occurred or would occur after giving effect thereto;

(N) enter into any transactions, including, without limitation, the purchase, sale or exchange of property or the rendering of any services, with any Affiliate, or enter into, assume or suffer to exist any employment, management, administration, advisory or consulting contract with any Affiliate or any officer, director or partner of any Affiliate, except a transaction or contract which is in the ordinary course of business, is otherwise permitted by this Agreement and is upon fair and reasonable terms no less favorable than would be obtained in a comparable arms-length transaction with a Person not an Affiliate;

(O) declare or pay dividends upon any of Borrower's Stock or make any distributions or transfers of Borrower's property or assets [except as permitted in this Agreement or the Other Agreements and, so long as Borrower maintains its election to be an "S Corporation" under the Internal Revenue Code of 1986, as amended, distributions to stockholders of up to 40% of the net earnings of Borrower (or, to enable stockholders to make quarterly deposits of estimated tax, a reasonably determined estimate of Borrower's net earnings for the then current tax year)] or make any loans, advances and/or extensions of credit to any Persons;

(P) terminate or withdraw from any pension (or similar) plan so as to result in any material liability or penalty (in the sole opinion of Bank) of Borrower to the pension plan, pension trustee, Pension Benefit Guaranty Corporation or otherwise, or permit to occur any Reportable Event or Prohibited Transaction (as defined in Title IV of the Employee's Retirement Income Security Act of 1974 as the same may be amended and in effect from time to time), or any other event or condition, which presents a material risk (in the sole opinion of Bank) of such termination or withdrawal;

(Q) incur Indebtedness (other than Borrower's Liabilities), except trade payables arising in the ordinary course of business;

(R) except pursuant to this Agreement and the Other Agreements, issue any power of attorney or other contract or agreement giving any Person power or control over the day-to-day operations of Borrower's business;

(S) permit Borrower's Tangible Net Worth to be less than \$5,000,000 at any time from and after the date hereof;

(T) permit the ratio between (i) the amount of Tangible Net Worth to (ii) the amount of all liabilities, except

Indebtedness which is subordinated to Bank, to be less than 2.00 to 1.00 at any time from and after the date hereof;

(U) fail to comply in any material respect with any applicable provision of any other applicable local, state or federal environmental protection health or safety, statute, health or safety or regulation relating to or imposing liability or standards concerning Hazardous Material.

(V) permit the net after tax profits of the Borrower, determined in accordance with generally accepted accounting principals, for any fiscal year of Borrower to be less than \$500,000 or for any fiscal quarter of Borrower to be less than \$1.00.

(W) permit the aggregate amount of annual salaries of all officers and directors of Borrower for any fiscal year, less any loans made by such officers or directors to Borrower during such year, to exceed \$400,000.

(X) allow the aggregate amount of all obligations and liabilities (including, without limitation, all debts, claims and indebtedness, whether primary, secondary, direct, contingent, fixed or otherwise, heretofore, now and/or from time to time hereafter owing, due or payable, however evidenced, created, incurred, acquired or owing and however arising) owing to Borrower from Affiliates including, but not limited to, indebtedness incurred through advances to or for the benefit of Affiliates, accounts receivable owing from Affiliates, leases under which the Affiliate is the lessee, or guaranties of Affiliate liabilities, to exceed, at any one time (i) \$1,900,000 until June 30, 1992, (ii) \$1,300,000 until December 31, 1992, and (iii) \$1,000,000 thereafter.

9.3 Performance of Obligations. Borrower warrants and represents to and covenants with Bank that Borrower shall, unless Bank consents thereto in writing, do all of the following during the term and each renewal term: (a) pay or discharge or otherwise satisfy at or before maturity or before the same becomes delinquent, all Indebtedness; (b) preserve and maintain its corporate existence, rights, privileges and franchises in the jurisdiction of its incorporation or organization, and qualify and remain qualified to do business in each other jurisdiction in which such qualification is necessary in view of its business or operations; (c) comply with all laws, rules, regulations and governmental orders (federal, state and local) having applicability to it or to the business or businesses at any time conducted by it; (d) duly and punctually pay and perform each of its obligations under this Agreement and the Other Agreements in accordance with the terms thereof; and (e) furnish to Bank, as soon as possible and in any event within five (5) days after Borrower shall have obtained knowledge of the occurrence of an Event of Default, the written statement of the Chief Financial Officer of Borrower

setting forth the details of such Event of Default and the action which Borrower proposes to take with respect thereto.

10. WARRANTIES, REPRESENTATIONS AND COVENANTS:  
FINANCIAL STATEMENTS

10.1 Financial Statements. Borrower covenants with Bank that Borrower shall keep Records and prepare financial statements and shall cause to be furnished to Bank the following (all of the foregoing and following to be kept and prepared in accordance with generally accepted accounting principles applied on a basis consistent with the Financials unless Borrower's certified public accountants concur in any changes therein and such changes are consistent with then generally accepted accounting principles):

(A) As soon as available but not later than one hundred five (105) days after the close of each fiscal year of Borrower, a copy of the annual audited financial statements of Borrower prepared on a consolidated and consolidating basis in conformity with generally accepted accounting principles and consisting of a balance sheet of Borrower as of the end of, and related statements of operations and cash flow for, such year, together with a reconciliation of capital of Borrower for such year, audited by Borrowers regularly certified public accountants.

(B) Concurrently with the delivery of the financial statements described in Subparagraph (A) above, (i) a certificate of the aforesaid certified public accountants certifying to Bank that based upon their examination of the affairs of Borrower, performed in connection with the preparation of said financial statements, they are not aware of the occurrence or existence of any condition or event which constitutes or upon notice or lapse of time or both would constitute an Event of Default or, if they are aware thereof, the nature thereof and (ii) the acknowledgement of such certified public accountants, in form and substance reasonably acceptable to Bank, to the effect that the Bank shall be permitted to rely thereupon for purposes of Paragraph 5535.1 of Chapter 111 of the Illinois Annotated Statutes, notwithstanding that the Bank is not in privity of contract with such certified public accountants in respect of such financial statements.

(C) As soon as available but not later than thirty (30) days after the end of each month hereafter, a balance sheet of Borrower as at the end of, and the related statement of operations for, the portion of Borrower's fiscal year then elapsed, in form and substance acceptable to Bank, all certified by Borrower to be prepared in accordance with generally accepted accounting principles and to present fairly the financial position and results of operations of Borrower for such period.



(D) Such other data and information (financial and otherwise) as Bank, from time to time, may request bearing upon or related to the Collateral, Borrower's financial condition and/or results of operations.

## 11. DEFAULT

11.1 Event of Default. The occurrence of any one of the following events shall constitute a default ("Event of Default") under this Agreement: (a) Borrower shall default in the performance or observance of any of Borrower's Obligations under Articles 8, 9 or 10 of this Agreement; (b) Borrower shall default in the performance or observance of any other of Borrower's Obligations (not constituting an Event of Default under any other clause of this Paragraph 11.1) and such Default shall continue unremedied for a period of thirty (30) days after Borrower shall have obtained knowledge thereof; (c) if any representation or warranty on the part of Borrower contained in this Agreement or the Other Agreements, or any document, instrument or certificate delivered pursuant hereto or thereto shall have been incorrect in any material respect when made or deemed made; (d) if Borrower fails to pay Borrower's Liabilities, when due and payable or declared due and payable; (e) if the Collateral, any collateral securing the obligations to Bank of any Guarantor or any other material portion of Borrower's or any such Guarantor's assets are attached, seized, subjected to a writ of distress warrant, or are levied upon, or come within the possession of any receiver, trustee, custodian or assignee for the benefit of creditors and the same is not terminated or dismissed within twenty (20) days thereafter; (f) if a petition under any section or chapter of the Bankruptcy Code, as amended, or any similar law or regulation shall be filed by Borrower or any Guarantor or if Borrower or any Guarantor shall make an assignment for the benefit of its creditors or if any case or proceeding is filed by Borrower or any Guarantor for its dissolution or liquidation; (g) if Borrower or any Guarantor is enjoined, restrained or in any way prevented by court order from conducting all or any material part of its business affairs or if a petition under any section or chapter of the Bankruptcy Code, as amended, or any similar law or regulation is filed against Borrower or any Guarantor or if any case or proceeding is filed against Borrower or any Guarantor for dissolution or liquidation and such injunction, restraint or petition is not dismissed or stayed within thirty (30) days after the entry or filing thereof; (h) if an application is made by Borrower or any Guarantor for the appointment of a receiver, trustee or custodian for the Collateral, any collateral securing such Guarantor's obligations to Bank or any other material portion of Borrower's or such Guarantor's assets; (i) if an application is made by any Person other than Borrower or any Guarantor for the appointment of a receiver, trustee, or custodian for the Collateral, any collateral securing such Guarantor's obligation's

to Bank or any other material portion of Borrower's or such Guarantor's assets and the same is not dismissed within thirty (30) days after the application therefor; (j) except as permitted in Paragraph 8.2 above, if a notice of any Charge is filed of record with respect to all or any of Borrower's assets, or if any Charge becomes a lien or encumbrance upon the Collateral or any other of Borrower's assets and the same is not released within thirty (30) days after the same becomes a lien or encumbrance; (k) if Borrower is in default in the payment of Indebtedness (other than Borrower's Liabilities) and such default is declared and is not cured within the time, if any, specified therefor in any agreement governing the same; (l) the death or incompetency of any Guarantor (which is an individual), or the appointment of a conservator for all or any material portion of Borrower's or any such Guarantor's assets or the Collateral; (m) the occurrence of a default or Event of Default under any agreement, instrument and/or document executed and delivered by any Guarantor to Bank, which is not cured within the time, if any, specified therefor in such agreement, instrument or document; (n) the occurrence of a default or an Event of Default under any of the Other Agreements, which is not cured within the time, if any, specified therefor in such Other Agreement; (o) if one or more judgments or decrees shall be entered against Borrower, and all such judgments or decrees shall not have been vacated, discharged or stayed pending appeal within thirty (30) days from the entry thereof; (p) if this Agreement or any of the Other Agreements shall cease for any reason to be in full force and effect (other than by reason of the satisfaction of all of Borrower's Liabilities or voluntary release by Bank of any Other Agreement) or Borrower or any other Person (other than Bank) shall disavow its obligations thereunder, or shall contest the validity or enforceability of any thereof; (q) if any lien or security interest in any Collateral or any collateral securing the obligations of any Guarantor to Bank shall for any reason cease to be a legal, valid, perfected or enforceable first priority lien on and security interest in such Collateral or Guarantor's collateral (other than by reason of the payment in full of all obligations secured thereby or voluntary release by the secured party of such Collateral or Guarantor's collateral); (r) the death of Lawrence J. Beal or (s) if Bank, in good faith, determines, as a result of facts or circumstances which are commercially reasonable, that the Bank is insecure as to the payment of Borrower's Liabilities or the performance of Borrower's Obligation or as to its security interest in or the value of the Collateral.

**11.2 Remedies Cumulative.** All of Bank's rights and remedies under this Agreement and the Other Agreements are cumulative and non-exclusive.

**11.3 Obligation to Advance.** Upon an Event of Default or the occurrence of any one of the events described in Paragraph 11.1 (notwithstanding Borrower's right to cure the same thereafter), without notice by Bank to or demand by Bank of Borrower, Bank shall

have no further obligation to and may then forthwith cease advancing monies or extending credit to or for the benefit of Borrower under this Agreement and the Other Agreements; provided, however, upon the waiver by Bank of such Event of Default or Borrower's cure of such event, Bank's commitment hereunder shall be reinstated, subject to the terms of any such waiver. Upon an Event of Default, without notice by Bank to or demand by Bank of Borrower, Borrower's Liabilities shall be due and payable, forthwith.

11.4 Bank's Remedies. Upon an Event of Default, Bank, in its sole and absolute discretion, may: (a) exercise any one or more of the rights and remedies accruing to a secured party under the Uniform Commercial Code of the relevant state or states and any other applicable law upon default by a debtor; (b) enter, with or without process of law and without breach of the peace, any premises where the Collateral is or may be located, and without charge or liability to Bank therefor seize and remove the Collateral from said premises and/or remain upon said premises and use the same for the purpose of collecting, preparing and disposing of the Collateral; and (c) sell or otherwise dispose of the Collateral at public or private sale for cash or credit, provided, however, that Borrower shall be credited with the net proceeds of such sale only when such proceeds are actually received by Bank pursuant to Paragraph 13.1 hereof.

11.5 Assemble Collateral. Upon an Event of Default, Borrower, immediately upon demand by Bank, shall assemble the Collateral and make it available to Bank at a place or places to be designated by Bank which are reasonably convenient to Bank and Borrower. Borrower recognizes that in the event Borrower fails to perform, observe or discharge any of Borrower's Obligations, no remedy of law will provide adequate relief to Bank, and agrees that Bank shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

11.6 Notice of Sale. Any notice required to be given by Bank of a sale, lease, other disposition of the Collateral or any other intended action by Bank, deposited in the United States mail, postage prepaid and duly addressed to Borrower at its principal place of business specified at the beginning of this Agreement not less than ten (10) days prior to such proposed action, shall constitute commercially reasonable and fair notice to Borrower thereof.

11.7 Sale of Collateral. Upon an Event of Default, Borrower agrees that Bank may, if Bank deems it reasonable, postpone or adjourn any such sale of the Collateral from time to time by an announcement at the time and place of sale or by announcement at the time and place of such postponed or adjourned sale, without being required to give a new notice of sale. Borrower agrees that Bank has no obligation to preserve rights against prior parties to

the Collateral. Further, Borrower waives and releases any cause of action and claim against Bank as a result of Bank's possession, collection or sale of the Collateral, any liability or penalty for failure of Bank to comply with any requirement imposed on Bank relating to notice of sale, holding of sale or reporting of sale of the Collateral, and, to the extent permitted by law, any right of redemption from such sale.

11.8 Waiver of Demand and Bond. In the event Bank seeks possession of the Collateral through replevin or other court process, Borrower hereby irrevocably waives (a) any bond, surety or security required as an incident to such possession, and (b) any demand for possession of the Collateral prior to commencement of any suit or action to recover possession thereof.

11.9 Right to Cure. Upon the occurrence of any one of the events described in Paragraph 11.1 above, notwithstanding Borrower's right to cure the same before it becomes an Event of Default, Bank, if it determines that the Collateral or the payment of Borrower's Liabilities is jeopardized, may enforce such of its rights and remedies under this Article as Bank deems necessary or proper.

## 12. CONDITIONS PRECEDENT TO DISBURSEMENT

12.1 Conditions to First Disbursement. The obligation of Bank to make the Loans to Borrower is subject to the condition precedent that, in addition to satisfaction of the conditions set forth in Paragraphs 12.2 and 12.3 hereof, Bank shall have received, prior to the disbursement of the proceeds of any of the Loans hereunder, the following, duly executed and in form and substance satisfactory to Bank:

- (A) a duly executed copy of this Agreement;
- (B) a Revolving Promissory Note in the original face amount of \$6,000,000.00, duly executed by Borrower, payable to the order of Bank;
- (C) a Term Promissory Note in the original face amount of \$4,000,000.00, duly executed by Borrower, payable to the order of Bank;
- (D) Guaranty Agreements duly executed by Lawrence J. Beal and Sandra Beal, guarantying Borrower's Obligations and Borrower's Liabilities to Bank;
- (E) Subordination Agreements duly executed by Lawrence J. Beal and Sandra Beal, subordinating all Indebtedness of the Borrower to Lawrence J. Beal and Sandra Beal to the Borrower's Liabilities;

(F) Financing Statements, duly executed by Borrower, showing Borrower as Debtor, in favor of Bank, as Secured Party, to be filed in the jurisdiction in which Borrower maintains its chief executive office and in each other jurisdiction in which Borrower conducts its business operations and/or maintains Collateral and Interstate Commerce Commission filings prepared and duly executed by Borrower with respect to the Locomotive Inventory or Leased Inventory;

(G) Lien Search Report with respect to Borrower, together with duly executed releases and/or termination statements as Bank may request;

(H) Certificate of the Secretary of Borrower as to Officers and Directors, Directors' Resolutions, By-laws and miscellaneous matters;

(I) Certified copies of the Articles of Incorporation of Borrower and certificate of good standing in any jurisdiction in which Borrower is qualified to do business;

(J) Landlord Waiver executed by the landlord of Borrower's places of business in favor of Bank, together with a copy of each Lease;

(K) Favorable opinions of counsel for Borrower as to such matters as Bank may reasonably request;

(L) Certificate(s) of insurance in respect of all property, casualty, liability, business interruption and other insurance maintained by Borrower in respect of the Collateral or otherwise in respect of its business, together with lender loss payable and other endorsements acceptable as to form and substance to Bank;

(M) Written appraisal by Diesel Supply Company of the Locomotive Inventory and Capital Goods Inventory which shows an appraised value of \$15,900,000 and 4,000,000, respectively.

(N) Such other opinions, documents, assignments, certificates or approvals as Bank reasonably may request.

All of the foregoing shall be in form and substance reasonably acceptable to Bank and its counsel. Any of the foregoing may be waived or the time for delivery extended by agreement of the parties.

12.2 Satisfaction of Bank and its Counsel. The obligation of Bank to make the Loans to Borrower is subject to the further condition precedent that all proceedings taken in connection with the transaction contemplated by this Agreement, and all instruments, authorizations and other documents applicable thereto,

shall be satisfactory in form and substance to Bank and its counsel.

12.3 Conditions to Subsequent Disbursements. In addition to the foregoing, prior to Bank making any and all Loans hereunder, all of the following shall have been satisfied in a manner satisfactory to Bank:

(A) No change in the condition or operations, financial or otherwise, of Borrower or any Affiliate, shall have occurred which change, in the sole judgment of Bank, may have a material adverse effect on Borrower or such Affiliate or on any of the Collateral;

(B) No litigation shall be outstanding or have been instituted or threatened which Bank determines to be material against Borrower or any Affiliate or any of the Collateral;

(C) All of the representations and warranties of Borrower set forth in this Agreement and each of the Other Agreements to which Borrower as a party shall be true and correct on the date of the contemplated Loan to the same extent as originally made on such date; and

(D) No Event of Default or event or condition which, with notice, lapse of time and/or the making of the contemplated Loan, would constitute an Event of Default shall exist or be continuing.

### 13. GENERAL

13.1 Availability of Funds. Any check, draft or similar item of payment by or for the account of Borrower delivered to Bank on account of Borrower's Liabilities shall, provided the same is honored and final settlement thereof is reflected by irrevocable credit to Bank, be applied by Bank on account of Borrower's Liabilities in accordance with the Bank's published schedule on funds availability. A "business day" shall mean any day upon which national banks with a principal place of business in Chicago, Illinois are authorized or required by law to be open for the transaction of commercial banking business.

13.2 Payment of Costs and Expenses. That portion of Borrower's Liabilities consisting of monies, costs, expenses or advances to be reimbursed by Borrower to Bank pursuant to this Agreement shall be payable by Borrower to Bank on demand.

13.3 Service Charges. The interest rates referred to in the Revolving Note and Term Note as being applicable to the Loan from time to time are predicated on the assumption that the Borrower will maintain aggregate demand deposit balances with the Bank in

which the average monthly "Free Balances" (meaning gross balances minus any uncollected funds and minus the aggregate amount of deposits required to cover activity in the Borrower's deposit accounts, based on the Bank's standard analysis) will equal at least \$250,000. If, during any monthly period, the Borrower shall fail to maintain the Free Balances specified above, Borrower acknowledges that Bank will charge Borrower by debiting the operating account of Borrower in an amount equal to the deficient balances fee which shall be calculated by multiplying the dollar amount of the deficiency in average monthly Free Balances by the average monthly interest rate applicable to the Term Loan during such monthly period.

13.4 Statement of Account. Each statement of account by Bank delivered to Borrower relating to Borrower's Liabilities shall be presumed correct and accurate and shall constitute an account stated between Borrower and Bank unless, within thirty (30) days after Borrower's receipt of said statement, Borrower delivers to Bank, by registered or certified mail addressed to Bank at its place of business specified above, written objection thereto specifying the error or errors, if any, contained in any such statement.

13.5 Application of Payments. Borrower waives the right to direct the application of any and all payments at any time or times hereafter received by Bank on account of Borrower's Liabilities and Borrower agrees that Bank shall have the continuing exclusive right to apply and reapply any and all such payments in such manner as Bank may deem advisable, notwithstanding any entry by Bank upon any of its books and records.

13.6 Representations and Warranties. Borrower covenants, warrants and represents to Bank that all representations and warranties of Borrower contained in this Agreement and the Other Agreements shall be true at the time of Borrower's execution of this Agreement and the Other Agreements, shall survive the execution, delivery and acceptance thereof by the parties thereto and the closing of the transactions described therein or related thereto and shall be true from the time of Borrower's execution of this Agreement to the end of the term hereof.

13.7 Amendment and Modification. This Agreement and the Other Agreements may not be modified, altered or amended except by an agreement in writing signed by Borrower and Bank. Borrower may not sell, assign or transfer this Agreement or the Other Agreements or any portion thereof, including, without limitation, Borrower's rights, titles, interests, remedies, powers and/or duties thereunder. Borrower hereby consents to Bank's sale, assignment, transfer or other disposition, at any time and from time to time hereafter, of this Agreement or the Other Agreements, or of any portion thereof, including, without limitation, Bank's rights, titles, interests, remedies, powers and/or duties.

13.8 Waiver. Bank's failure at any time or times hereafter to require strict performance by Borrower of any provision of this Agreement shall not waive, affect or diminish any right of Bank thereafter to demand strict compliance and performance therewith. Any suspension or waiver by Bank of an Event of Default by Borrower under this Agreement or the Other Agreements shall not suspend, waive or affect any other Event of Default by Borrower under this Agreement or the Other Agreements, whether the same is prior or subsequent thereto and whether of the same or of a different type. None of the undertakings, agreements, warranties, covenants and representations of Borrower contained in this Agreement or the Other Agreements and no Event of Default by Borrower under this Agreement or the Other Agreements shall be deemed to have been suspended or waived by Bank unless such suspension or waiver is by an instrument in writing signed by an officer of Bank and directed to Borrower specifying such suspension or waiver.

13.9 Severability. If any provision of this Agreement or the Other Agreements or the application thereof to any Person or circumstance is held invalid or unenforceable, the remainder of this Agreement and the Other Agreements and the application of such provision to other Persons or circumstances will not be affected thereby and the provisions of this Agreement and the Other Agreements shall be severable in any such instance.

13.10 Binding. This Agreement and the Other Agreements shall be binding upon and inure to the benefit of the successors and assigns of Borrower and Bank. This provision, however, shall not be deemed to modify Paragraph 13.7 hereof.

13.11 Incorporation by Reference. The provisions of the Other Agreements are incorporated in this Agreement by this reference thereto. Except as otherwise provided in this Agreement and except as otherwise provided in the Other Agreements by specific reference to the applicable provision of this Agreement, if any provision contained in this Agreement is in conflict with, or inconsistent with, any provision in the Other Agreements, the provision contained in this Agreement shall govern and control.

13.12 Effect of Termination. Except to the extent provided to the contrary in this Agreement and in the Other Agreements, no termination or cancellation (regardless of cause or procedure) of this Agreement or the Other Agreements shall in any way affect or impair the powers, obligations, duties, rights and liabilities of Borrower or Bank in any way or respect relating to (i) any transaction or event occurring prior to such termination or cancellation, (ii) the Collateral and/or (iii) any of the undertakings, agreements, covenants, warranties and representations of Borrower contained in this Agreement or the Other Agreements. All such undertakings, agreements, covenants, warranties and representations shall survive such termination or cancellation.



13.13 Waiver of Notice. Except as otherwise specifically provided in this Agreement, Borrower waives any and all notice or demand which Borrower might be entitled to receive with respect to this Agreement or the Other Agreements by virtue of any applicable statute or law, and waives presentment, demand and protest and notice of presentment, protest, default, dishonor, non-payment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Bank on which Borrower may in any way be liable and hereby ratifies and confirms whatever Bank may do in this regard.

13.14 Authorized Signatories. Until Bank is notified by Borrower to the contrary in writing by registered or certified mail directed to Bank's principal place of business, the signature upon this Agreement or upon any of the Other Agreements of any officer of Borrower, or of any other Person designated in writing to Bank by any of the foregoing ("Designated Person") shall bind Borrower and be deemed to be the duly authorized act of Borrower.

13.15 Attorney-in-Fact. Borrower hereby appoints Bank as Borrower's agent and attorney-in-fact for the purpose of carrying out the provisions of this Agreement and the Other Agreements, and taking any action and executing any agreement, instrument or document which Bank may deem necessary or advisable to accomplish the purposes hereof which appointment is irrevocable and coupled with an interest. All monies paid for the purposes herein, and all costs, fees and expenses paid or incurred in connection therewith, shall be part of Borrower's Liabilities, payable by Borrower to Bank on demand.

13.16 Costs of Bank. Upon demand by Bank therefor, Borrower shall reimburse Bank for all costs, fees and expenses incurred by Bank, whether to third parties or internally, or for which Bank becomes obligated, in connection with the negotiation, preparation, closing or administration of this Agreement and the Other Agreements, including, without limitation, attorneys' fees, costs and expenses, search fees, costs and expenses, title insurance policy fees, costs and expenses, filing and recording fees, all taxes payable in connection with this Agreement or the Other Agreements, appraisal fees for Collateral and bank audit fees.

13.17 Acceptance by Bank. This Agreement and the Other Agreements are submitted by Borrower to Bank (for Bank's acceptance or rejection thereof) at Bank's principal place of business as an offer by Borrower to borrow monies from Bank now and from time to time hereafter and shall not be binding upon Bank or become effective until and unless accepted by Bank, in writing, at said place of business. If so accepted by Bank, this Agreement and the Other Agreements shall be deemed to have been made at said place of business. This Agreement and the Other Agreements shall be governed and controlled by the laws of the State of Illinois as to

interpretation, enforcement, validity, construction, effect and in all other respects without reference to principles of choice of law.

13.18 Forum and Waiver of Jury Trial. TO INDUCE BANK TO ACCEPT THIS AGREEMENT AND THE OTHER AGREEMENTS, BORROWER, IRREVOCABLY, AGREES THAT, SUBJECT TO BANK'S SOLE AND ABSOLUTE ELECTION, ALL ACTIONS OR PROCEEDINGS IN ANY WAY, MANNER OR RESPECT, ARISING OUT OF OR FROM OR RELATED TO THIS AGREEMENT, THE OTHER AGREEMENTS OR THE COLLATERAL SHALL BE LITIGATED IN COURTS HAVING SITUS WITHIN THE CITY OF CHICAGO, STATE OF ILLINOIS. BORROWER HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURT LOCATED WITHIN SAID CITY AND STATE. BORROWER HEREBY WAIVES ANY RIGHT IT MAY HAVE TO TRANSFER OR CHANGE THE VENUE OF ANY LITIGATION BROUGHT IN ACCORDANCE WITH THIS PARAGRAPH. BORROWER HEREBY IRREVOCABLY WAIVES THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY ACTION IN WHICH BORROWER AND BANK ARE PARTIES.

13.19 Costs of Counsel. If at any time or times hereafter Bank: (a) employs counsel for advice or other representation (i) with respect to the Collateral, this Agreement, the Other Agreements or the administration thereof, (ii) to represent Bank in any litigation, contest, dispute, suit or proceeding or to commence, defend or intervene or to take any other action in or with respect to any litigation, contest, dispute, suit or proceeding (whether instituted by Bank, Borrower or any other Person) in any way or respect relating to the Collateral, this Agreement, the Other Agreements or Borrower's affairs, or (iii) to enforce any rights of Bank against Borrower, any Guarantor or any other Person which may be obligated to Bank by virtue of this Agreement or the Other Agreements, including without limitation, any Obligor; (b) takes any action with respect to administration of the Collateral, this Agreement or the Other Agreements, or to protect, collect, sell, liquidate or otherwise dispose of the Collateral; and/or (c) attempts to or enforces any of Bank's rights or remedies under this Agreement or the Other Agreements, including without limitation Bank's rights or remedies with respect to the Collateral, the reasonable costs, fees and expenses incurred by Bank in any manner or way with respect to the foregoing, shall be part of Borrower's Liabilities, payable by Borrower to Bank on demand. Without limiting the generality of the foregoing, such expenses, costs, charges and fees include: (i) attorneys' fees, costs and expenses; (ii) accountants' fees, costs and expenses; (iii) court costs and expenses; (iv) court reporter fees, costs and expenses; (v) long distance telephone charges; (vi) telegram, telecopy facsimile, messenger and overnight courier charges; and (vii) expenses for travel, lodging and food.

13.20 Release of Claims. Borrower releases Bank from any and all causes of action or claims which Borrower may now or hereafter have for any asserted loss or damage to Borrower claimed to be caused by or arising from: (a) any failure of Bank to protect,

enforce or collect in whole or in part any of the Collateral; (b) Bank's notification to any Obligor of Bank's security interests in the Accounts; (c) Bank's directing any Obligor to pay any sums owing to Borrower directly to Bank; and (d) any other act or omission to act on the part of Bank, its officers, agents or employees, except for willful misconduct.

13.21 Reinstatement of Amounts. To the extent that Bank receives any payment on account of Borrower's Liabilities, or any proceeds of Collateral are applied on account of Borrower's Liabilities, and any such payment(s) and/or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, subordinated and/or required to be repaid to a trustee, receiver or any other Person under any bankruptcy act, state or federal law, common law or equitable cause, then, to the extent of such payment(s) or proceeds received, Borrower's Liabilities or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment(s) and/or proceeds had not been received by Bank and applied on account of Borrower's Liabilities.

13.22 Final Agreement. Except as otherwise provided herein, this Agreement and the Other Agreements supersede in their entirety any other agreement or understanding between Bank and Borrower with respect to loans and advances made by Bank and all commitments of Bank in connection therewith.

13.23 Notices. Each notice, demand or other communication in connection with this Agreement shall be in writing and shall be deemed to be given to and served upon the addressee thereof (i) upon actual delivery to such addressee at its address set forth above, (ii) on the next business day after delivery thereof to an overnight courier service, in accordance with such service's rules, or (iii) on the third business day after the deposit thereof in the United States mails, certified mail, first-class postage prepaid, addressed to such addressee at its address set forth above, with copies to, in the case of communications to Borrower, Richard F. Loritz, Orland State Bank Building, 9522 West 143rd Street, Orland Park, Illinois 60462 and with a copy to, in the case of communications to Bank, Schwartz & Freeman, 401 North Michigan Avenue, Suite 1900, Chicago, Illinois 60611 (Attn: Kathleen Finefrock). By notice complying with this Section, any party may from time to time designate a different address as its address for the purpose of the receipt of notices hereunder.

13.24 Acknowledgement of Terms. Borrower acknowledges that it has read this Agreement and the Other Agreements executed by it, that it is aware of all of the terms hereof and thereof, that they merely constitute an offer of Borrower to Bank and that they are not binding upon Bank until and unless accepted by Bank in writing at its principal place of business.

IN WITNESS WHEREOF, this Agreement has been duly executed as of the day and year specified at the beginning hereof.

ATTEST:

NATIONAL RAILWAY EQUIPMENT CO.,  
an Illinois corporation

Richard E. Lutz  
Assistant Secretary

By: Lawrence J. Baul  
Name: LAWRENCE J. BAUL  
Title: PRESIDENT

Accepted this 17th day of December, 1991, at Bank's principal place of business in the City of Chicago, State of Illinois.

LASALLE NATIONAL BANK

By: [Signature]  
Name: TODD J. LAUSCH  
Title: Commercial Bank Officer

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121891-940am/KAF

EXHIBIT A-1

Attached to and Forming a  
Part of Loan and Security  
Agreement Dated as of  
December 18, 1991, By and Between  
LaSalle National Bank and  
National Railway Equipment Co.

REVOLVING PROMISSORY NOTE

REVOLVING PROMISSORY NOTE

\$6,000,000.00

December 18, 1991  
Chicago, Illinois

FOR VALUE RECEIVED, NATIONAL RAILWAY EQUIPMENT CO., an Illinois corporation, with its principal place of business at 14400 S. Robey, Dixmoor, Illinois 60426 ("Borrower"), hereby promises to pay to the order of LASALLE NATIONAL BANK, a national banking association with its principal place of business at 120 South LaSalle Street, Chicago, Illinois 60603 or any successor holder of this Note ("Bank"), at Bank's principal place of business in Chicago, Illinois, or such other place or places as Bank from time to time may designate in writing, the principal sum of Six Million and No/100 Dollars (\$6,000,000.00), or such lesser amount as shall be outstanding from time to time, in lawful money of the United States of America, together with interest from the date of disbursement thereof on the unpaid principal balance thereof from time to time outstanding, as follows:

- (a) Interest shall be due and payable monthly, as billed by Bank; and
- (b) The outstanding principal balance, together with all accrued and unpaid interest, shall be due and payable on May 1, 1993.

This Note shall bear interest on the outstanding principal balance from time to time at the per annum rate (the "Interest Rate") equal to the rate of interest announced or published publicly from time to time by LaSalle National Bank as its prime or equivalent rate of interest (such announced or published rate of interest referred to as the "Prime Rate"). Interest hereunder shall be computed on the basis of actual days elapsed based upon a three hundred sixty (360) day year. The Interest Rate shall be adjusted hereafter from time to time concurrently with and in an amount equal to any increase or decrease in the Prime Rate. It is expressly agreed that the use of the term "Prime Rate" is not intended nor does it imply that said rate of interest is a preferred rate of interest or one which is offered to the most creditworthy customers of LaSalle National Bank.

Any check, draft, wire transfer or similar item of payment by or for the account of Borrower delivered to Bank shall be in immediately available funds and shall be applied by Bank to the outstanding loan balance on the date Bank actually received the same.

1. Security for Note. The payment and performance of this Revolving Promissory Note (this "Note") is secured by all security interests, liens, pledges, assignments and encumbrances concurrently herewith and/or from time to time hereafter granted by or for Borrower to Bank in connection with this Note, including, but not limited to, the security interests granted under that certain Loan and Security Agreement of even date herewith, executed by Borrower in favor of Bank (the "Security Agreement") creating a security interest in accounts receivable, inventory, equipment, machinery, leases and all other personal property owned by Borrower and such other instruments, documents and agreements evidencing and/or securing the payment of this Note as Borrower or any other person executes and delivers to Bank now and from time to time hereafter (collectively referred to as the "Other Agreements"). All property, rights and assets pledged or given to secure this Note are herein referred to as the "Collateral". The terms and provisions of the Security Agreement and the Other Agreements are incorporated herein by this reference thereto.

2. Prepayment. This Note may be prepaid in whole or part, at any time and from time to time without premium or penalty.

3. Acceleration on Default; Waivers. If (a) any payment due under this Note or any other monies owing hereunder or under the Security Agreement or the Other Agreements by Borrower to Bank, is not paid when due, (b) Borrower fails to keep or perform any term, covenant, provision or condition under the terms of this Note, the Security Agreement, and/or the Other Agreements, subject to any applicable grace, notice and/or cure periods specifically provided for therein, or (c) an Event of Default or default occurs under the Security Agreement, or the Other Agreements (collectively referred to herein as a "Default"), then all indebtedness evidenced by this Note, together with all other monies owing hereunder by Borrower to Bank, will be due and payable in full at the election of Bank. The acceptance by Bank of any payment, partial or otherwise, made hereunder after the time when it becomes due as herein set forth will not establish a custom or constitute a waiver by Bank of any right to enforce prompt payment thereof or a waiver of any other Default or the same Default on another occasion. TO THE EXTENT PERMITTED BY APPLICABLE LAW, BORROWER HEREBY WAIVES THE APPLICATION OF ANY AND ALL OF ITS RIGHTS AND POWERS UNDER ALL STATUTES OF LIMITATION AND SIMILAR STATUTES AND LAWS AS TO THIS NOTE AND ALL PORTIONS HEREOF. DEMAND, PRESENTMENT FOR PAYMENT, PROTEST AND (EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED HEREIN) NOTICE OF NON-PAYMENT AND PROTEST HEREBY ARE WAIVED BY BORROWER AND EVERY ENDORSER AND/OR GUARANTOR HEREOF.

4. Default Rate of Interest. If any payment or other monies owing to Bank are not paid when due or if Bank declares a Default hereunder, then, from (i) the due date of such payment or (ii) the date the Default is declared, until all accrued, unpaid interest and any other amounts due hereunder or under any of the Other

Agreements are paid or otherwise satisfied in full, all indebtedness evidenced hereby and other sums secured by or payable under the Security Agreement to Bank, shall bear interest at the Default Rate. As used herein, the "Default Rate" means the greater of three percent (3%) per annum over the Prime Rate.

5. Fees, Expenses and Other Charges. If at any time or times after the date of this Note, Bank: (a) employs counsel for advice or other representation (i) with respect to this Note, or any Collateral, (ii) to represent Bank in any litigation, contest, dispute, suit or proceeding or to commence, defend or intervene or to take any other action in or with respect to any litigation, contest, dispute, suit or proceeding (whether instituted by Bank, Borrower or any other person) in any way or respect relating to this Note, any Collateral or Borrower's affairs, or (iii) to enforce any rights of Bank against Borrower or any guarantor; (b) takes any action with respect to administration of the Collateral, this Note or to protect, collect, sell, liquidate or otherwise dispose of any Collateral; and/or (c) attempts to or enforces any of Bank's rights and remedies against Borrower or any guarantor of Borrower's obligations, the reasonable costs and expenses incurred by Bank in any manner or way with respect to the foregoing shall be an additional liability, payable by Borrower to Bank on demand. Without limiting the generality of the foregoing, such expenses, costs, charges and fees include: (i) attorneys' fees, costs and expenses; (ii) accountants' fees, costs and expenses; (iii) court costs and expenses; (iv) court reporter fees, costs and expenses; (v) long distance telephone charges; (vi) telegram, telecopy facsimile, messenger and overnight courier charges; and (vii) expenses for travel, lodging and food.

6. Waivers; Continued Liability. It is agreed that the granting to Borrower or any other party of an extension or extensions of time for the payment of any sum or sums due under this Note, the Security Agreement or the Other Agreements or for the performance of any term, provision, covenant or agreement of this Note, the Security Agreement or the Other Agreements, or the taking or releasing of security or collateral for the payment of this Note or the exercising or failure to exercise of any right or power under this Note, the Security Agreement or the Other Agreements, shall not in any way release or affect the liability of Borrower evidenced by this Note.

7. Amendments and Modifications. This Note may not be amended or modified, nor shall any revision hereof be effective, except by an instrument in writing expressing such intention executed by Bank and Borrower and directed to Borrower.

8. Choice of Law. This Note shall be governed and controlled as to validity, enforcement, interpretation, construction, effect and in all other respects, including, but not limited to, the legality of the interest charged hereunder, by the statutes,



laws and decisions of the State of Illinois. Borrower, in order to induce Bank to accept this Note and for other good and valuable consideration, the receipt and sufficiency of which hereby is acknowledged, BORROWER HEREBY CONSENTS TO THE JURISDICTION OF, AND SUBJECT TO BANK'S SOLE AND ABSOLUTE ELECTION, AGREES THAT ALL ACTIONS OR PROCEEDINGS IN ANY WAY, MANNER OR RESPECT ARISING OUT OF OR FROM OR RELATED TO THIS NOTE SHALL BE LITIGATED IN, ANY STATE CIRCUIT COURT OR FEDERAL COURT LOCATED WITHIN THE CITY OF CHICAGO, STATE OF ILLINOIS. BORROWER WAIVES TRIAL BY JURY AND WAIVES ANY OBJECTION WHICH THE BORROWER MAY HAVE BASED ON IMPROPER VENUE OR FORUM NON CONVENIENS TO THE CONDUCT OF ANY PROCEEDING INSTITUTED HEREUNDER AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT.

9. Binding Effect. Wherever the term "Borrower" is used in this Note, the term shall include (unless otherwise expressly indicated) all of Borrower's successors, and assigns, as the case may be. This Note shall be binding upon Borrower and shall inure to the benefit of Bank and its successors and assigns.

10. Severability. Any provision of this Note which is unenforceable or contrary to applicable law, the inclusion of which would affect the validity, legality or enforcement of this Note, shall be of no effect, and in such case all the remaining terms and provisions of this Note shall be fully effective, the same as though no such invalid provision had ever been included in this Note.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Note as of the day and year first above written.

NATIONAL RAILWAY EQUIPMENT CO.

ATTEST:

By: \_\_\_\_\_

Its: \_\_\_\_\_

\_\_\_\_\_  
Its: \_\_\_\_\_

EXHIBIT A-2

Attached to and Forming a  
Part of Loan and Security  
Agreement Dated as of  
December 18, 1991, By and Between  
LaSalle National Bank and  
National Railway Equipment Co.

TERM PROMISSORY NOTE

TERM PROMISSORY NOTE

\$4,000,000.00

December 18, 1991  
Chicago, Illinois

FOR VALUE RECEIVED, NATIONAL RAILWAY EQUIPMENT CO., an Illinois corporation, with its principal place of business at 14400 S. Robey, Dixmoor, Illinois 60426 ("Borrower"), hereby promises to pay to the order of LASALLE NATIONAL BANK, a national banking association with its principal place of business at 120 South LaSalle Street, Chicago, Illinois 60603 or any successor holder of this Note ("Bank"), at Bank's principal place of business in Chicago, Illinois, or such other place or places as Bank from time to time may designate in writing, the principal sum of Four Million and No/100 Dollars (\$4,000,000.00), or such lesser amount as shall be outstanding from time to time, in lawful money of the United States of America, together with interest from the date of disbursement thereof on the unpaid principal balance thereof from time to time outstanding, as follows:

(a) Interest shall be due and payable monthly, as billed by Bank; and

(b) The outstanding principal balance of each advance shall be payable as provided in a Repayment Schedule executed at the time of the advance. All advances shall be repaid by Borrower to Bank, together with all accrued and unpaid interest, no more than five (5) years from the date of such advance and each Repayment Schedule shall so provide.

At the time of each advance, Borrower and Bank shall complete and Borrower shall execute a Repayment Schedule substantially in the form of Exhibit A attached hereto or such other form as Bank shall reasonably request. Such Repayment Schedule shall evidence the advance hereunder and the terms of repayment. Each advance shall be made under the terms of this Note which shall govern such advance.

This Note shall bear interest on the outstanding principal balance from time to time at the per annum rate (the "Interest Rate") equal to one-half of one percent (0.5%) in excess of the rate of interest announced or published publicly from time to time by LaSalle National Bank as its prime or equivalent rate of interest (such announced or published rate of interest referred to as the "Prime Rate"). Interest hereunder shall be computed on the basis of actual days elapsed based upon a three hundred sixty (360) day year. The Interest Rate shall be adjusted hereafter from time to time concurrently with and in an amount equal to any increase or decrease in the Prime Rate. It is expressly agreed that the use of

the term "Prime Rate" is not intended nor does it imply that said rate of interest is a preferred rate of interest or one which is offered to the most creditworthy customers of LaSalle National Bank.

Any check, draft, wire transfer or similar item of payment by or for the account of Borrower delivered to Bank shall be in immediately available funds and shall be applied by Bank to the outstanding loan balance on the date Bank actually received the same.

1. Security for Note. The payment and performance of this Term Promissory Note (this "Note") is secured by all security interests, liens, pledges, assignments and encumbrances concurrently herewith and/or from time to time hereafter granted by or for Borrower to Bank in connection with this Note, including, but not limited to, the security interests granted under that certain Loan and Security Agreement of even date herewith, executed by Borrower in favor of Bank (the "Security Agreement") creating a security interest in accounts receivable, inventory, equipment, machinery, leases and all other personal property owned by Borrower and such other instruments, documents and agreements evidencing and/or securing the payment of this Note as Borrower or any other person executes and delivers to Bank now and from time to time hereafter (collectively referred to as the "Other Agreements"). All property, rights and assets pledged or given to secure this Note are herein referred to as the "Collateral". The terms and provisions of the Security Agreement and the Other Agreements are incorporated herein by this reference thereto.

2. Prepayment. This Note may be prepaid in whole or part, at any time and from time to time without premium or penalty.

3. Acceleration on Default; Waivers. If (a) any payment due under this Note or any other monies owing hereunder or under the Security Agreement or the Other Agreements by Borrower to Bank, is not paid when due, (b) Borrower fails to keep or perform any term, covenant, provision or condition under the terms of this Note, the Security Agreement, and/or the Other Agreements, subject to any applicable grace, notice and/or cure periods specifically provided for therein, or (c) an Event of Default or default occurs under the Security Agreement, or the Other Agreements (collectively referred to herein as a "Default"), then all indebtedness evidenced by this Note, together with all other monies owing hereunder by Borrower to Bank, will be due and payable in full at the election of Bank. The acceptance by Bank of any payment, partial or otherwise, made hereunder after the time when it becomes due as herein set forth will not establish a custom or constitute a waiver by Bank of any right to enforce prompt payment thereof or a waiver of any other Default or the same Default on another occasion. TO THE EXTENT PERMITTED BY APPLICABLE LAW, BORROWER HEREBY WAIVES THE APPLICATION OF ANY AND ALL OF ITS RIGHTS AND POWERS UNDER ALL STATUTES OF

LIMITATION AND SIMILAR STATUTES AND LAWS AS TO THIS NOTE AND ALL PORTIONS HEREOF. DEMAND, PRESENTMENT FOR PAYMENT, PROTEST AND (EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED HEREIN) NOTICE OF NON-PAYMENT AND PROTEST HEREBY ARE WAIVED BY BORROWER AND EVERY ENDORSER AND/OR GUARANTOR HEREOF.

4. Default Rate of Interest. If any payment or other monies owing to Bank are not paid when due or if Bank declares a Default hereunder, then, from (i) the due date of such payment or (ii) the date the Default is declared, until all accrued, unpaid interest and any other amounts due hereunder or under any of the Other Agreements are paid or otherwise satisfied in full, all indebtedness evidenced hereby and other sums secured by or payable under the Security Agreement to Bank, shall bear interest at the Default Rate. As used herein, the "Default Rate" means the greater of three and one-half percent (3.5%) per annum over the Prime Rate.

5. Fees, Expenses and Other Charges. If at any time or times after the date of this Note, Bank: (a) employs counsel for advice or other representation (i) with respect to this Note, or any Collateral, (ii) to represent Bank in any litigation, contest, dispute, suit or proceeding or to commence, defend or intervene or to take any other action in or with respect to any litigation, contest, dispute, suit or proceeding (whether instituted by Bank, Borrower or any other person) in any way or respect relating to this Note, any Collateral or Borrower's affairs, or (iii) to enforce any rights of Bank against Borrower or any guarantor; (b) takes any action with respect to administration of the Collateral, this Note or to protect, collect, sell, liquidate or otherwise dispose of any Collateral; and/or (c) attempts to or enforces any of Bank's rights and remedies against Borrower or any guarantor of Borrower's obligations, the reasonable costs and expenses incurred by Bank in any manner or way with respect to the foregoing shall be an additional liability, payable by Borrower to Bank on demand. Without limiting the generality of the foregoing, such expenses, costs, charges and fees include: (i) attorneys' fees, costs and expenses; (ii) accountants' fees, costs and expenses; (iii) court costs and expenses; (iv) court reporter fees, costs and expenses; (v) long distance telephone charges; (vi) telegram, telecopy facsimile, messenger and overnight courier charges; and (vii) expenses for travel, lodging and food.

6. Waivers; Continued Liability. It is agreed that the granting to Borrower or any other party of an extension or extensions of time for the payment of any sum or sums due under this Note, the Security Agreement or the Other Agreements or for the performance of any term, provision, covenant or agreement of this Note, the Security Agreement or the Other Agreements, or the taking or releasing of security or collateral for the payment of this Note or the exercising or failure to exercise of any right or power under this Note, the Security Agreement or the Other

Agreements, shall not in any way release or affect the liability of Borrower evidenced by this Note.

7. Amendments and Modifications. This Note may not be amended or modified, nor shall any revision hereof be effective, except by an instrument in writing expressing such intention executed by Bank and Borrower and directed to Borrower.

8. Choice of Law. This Note shall be governed and controlled as to validity, enforcement, interpretation, construction, effect and in all other respects, including, but not limited to, the legality of the interest charged hereunder, by the statutes, laws and decisions of the State of Illinois. Borrower, in order to induce Bank to accept this Note and for other good and valuable consideration, the receipt and sufficiency of which hereby is acknowledged, BORROWER HEREBY CONSENTS TO THE JURISDICTION OF, AND SUBJECT TO BANK'S SOLE AND ABSOLUTE ELECTION, AGREES THAT ALL ACTIONS OR PROCEEDINGS IN ANY WAY, MANNER OR RESPECT ARISING OUT OF OR FROM OR RELATED TO THIS NOTE SHALL BE LITIGATED IN, ANY STATE CIRCUIT COURT OR FEDERAL COURT LOCATED WITHIN THE CITY OF CHICAGO, STATE OF ILLINOIS. BORROWER WAIVES TRIAL BY JURY AND WAIVES ANY OBJECTION WHICH THE BORROWER MAY HAVE BASED ON IMPROPER VENUE OR FORUM NON CONVENIENS TO THE CONDUCT OF ANY PROCEEDING INSTITUTED HEREUNDER AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT.

9. Binding Effect. Wherever the term "Borrower" is used in this Note, the term shall include (unless otherwise expressly indicated) all of Borrower's successors, and assigns, as the case may be. This Note shall be binding upon Borrower and shall inure to the benefit of Bank and its successors and assigns.

10. Severability. Any provision of this Note which is unenforceable or contrary to applicable law, the inclusion of which would affect the validity, legality or enforcement of this Note, shall be of no effect, and in such case all the remaining terms and provisions of this Note shall be fully effective, the same as though no such invalid provision had ever been included in this Note.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Note as of the day and year first above written.

NATIONAL RAILWAY EQUIPMENT CO.

ATTEST:

By: \_\_\_\_\_

Its: \_\_\_\_\_

\_\_\_\_\_  
Its: \_\_\_\_\_

EXHIBIT A  
FORM OF REPAYMENT SCHEDULE

Date:

Amount of Advance:

Repayment Schedule:

Beginning:

Monthly Principal:

Maturity Date:

Lease to be assigned to Bank:

Lease Terms:

Lessor:

Date of Lease:

Monthly Lease Payment:

Termination Date of Lease:

Special Provisions:

Leased Locomotives:

NATIONAL RAILWAY EQUIPMENT CO.

By: \_\_\_\_\_

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121791-100pm

EXHIBIT B

Attached to and Forming a  
Part of Loan and Security  
Agreement Dated as of  
December 18, 1991, By and Between  
LaSalle National Bank and  
National Railway Equipment Co.

COLLATERAL ASSIGNMENT OF LEASE AND SECURITY AGREEMENT



## COLLATERAL ASSIGNMENT OF LEASE AND SECURITY AGREEMENT

THIS COLLATERAL ASSIGNMENT OF LEASE AND SECURITY AGREEMENT (this "Agreement"), dated as of the \_\_\_\_ day of \_\_\_\_\_, 19\_\_, by and between LASALLE NATIONAL BANK ("Bank"), a national banking association with its principal place of business at 120 South LaSalle Street, Chicago, Illinois 60603, and NATIONAL RAILWAY Leased Equipment CO. ("Borrower"), an Illinois corporation with its principal place of business at 14400 S. Robey, Dixmoor, Illinois 60426.

### RECITALS

A. Borrower has requested that Bank advance monies to Borrower under that certain Term Loan facility which Bank has made available to Borrower pursuant to that certain Loan and Security Agreement between Bank and Borrower dated December 18, 1991 (the "Loan Agreement:"); and

B. As an inducement to Bank to make such advances to Borrower under the Term Loan facility, Borrower has agreed to pledge leases of locomotives to Bank as security for Borrower's Liabilities; and

NOW THEREFORE, in consideration of any loan, advance, extension of credit and/or other financial accommodation made by Bank to or for the benefit of Borrower, and of the promises set forth herein, the parties hereto agree as follows:

1. Definitions and Terms. The terms, representations, warranties and covenants of the Loan Agreement are incorporated in the Agreement by this reference as set forth in full in this Agreement. Any term not otherwise defined in this Agreement shall have the meaning ascribed to it in the Loan Agreement. For purposes of this Agreement, the term "Leased Locomotive Equipment" shall mean each item of equipment which is the subject of each Lease identified on the Schedule(s) attached to this Agreement.

2. Grant of Security Interest. To secure the prompt payment to Bank of Borrower's Liabilities and the prompt, full and faithful performance by Borrower of Borrower's Obligations, Borrower hereby grants to Bank a security interest in and to, and assigns and pledges to Bank all of Borrower's right, title, and interest in and to the following Collateral:

(a) each item of Leased Locomotive Equipment;

(b) each Lease of Leased Locomotive Equipment under which Borrower is lessor identified on the Schedule(s) attached to this Agreement (the "Assigned Leases");

(c) all rental payments and other amounts payable under the Assigned Leases;

(d) all Records at any time evidencing or relating to the Assigned Leases or Leased Locomotive Equipment;

(e) all accessions to any of the Leased Locomotive Equipment and all substitutions, renewals, improvements and replacements of and additions thereto;

(f) all insurance policies and any interest of Borrower under any insurance policy insuring, or proceeds of or relating to any of the foregoing; and

(g) all products and proceeds of the foregoing (whether such proceeds are in the form of cash, cash equivalents, proceeds of insurance policies or otherwise).

3. Conditions to Disbursement. A condition precedent to Bank making the advance under this Agreement shall be the delivery by Borrower to Bank of the following items, each of which shall be in a form acceptable to Bank:

(a) An executed Collateral Assignment of Lease;

(b) Original Assigned Lease;

(c) Payment to the Bank of a fee of \$500 for each Assigned Lease assigned after the December 18, 1992;

(d) Delivery and Acceptance Certificate from Borrower to the lessee under each Assigned Lease (the "Lessee") in the form attached hereto as Exhibit A;

(e) Uniform Commercial Code Financing Statement time stamped by the Secretary of State of the state in which the Lessee has its chief executive office showing Borrower as secured party, Lessee as debtor and Bank as assignee;

(f) Certificate of Insurance for hazard or property insurance insuring the Lessee and the Borrower and naming Bank as additional insured and as loss payee;

(g) Notice to Lessee of Assignment of Lease in form attached hereto as Exhibit B;

(h) Certified copy of corporate or partnership resolutions of Lessee, certified by the Secretary or a general partner of Lessee; and

(i) A Uniform Commercial Code search against the Lessee in the state in which its chief executive office is located

which search shows no filings identifying the Leased Locomotive Equipment.

4. Warranties on Leased Locomotive Equipment. Borrower warrants and represents to Bank that as of the date hereof with respect to the Leased Locomotive Equipment and each Assigned Lease:

(a) Borrower has good, indefeasible, and merchantable title, free and clear of all liens, claims and encumbrances, to and ownership of the Leased Locomotive Equipment and Borrower will not grant a security interest in the Collateral or sell the Collateral to any other party;

(b) Borrower has full power and authority to enter into the Assigned Lease;

(c) The Assigned Lease is genuine, and is in all respects what it purports to be and Borrower will not modify the terms of, terminate or supersede any Assigned Lease, and will fully and faithfully perform each and every obligation Borrower has under the Assigned Lease;

(d) the Assigned Lease represents an undisputed, bona fide transaction completed in accordance with the terms and provisions contained in the lease agreement and other documents delivered to Bank with respect thereto;

(e) to the best of Borrower's knowledge the Lessee has the capacity to contract and is solvent and Borrower has no knowledge of any fact or circumstance which would impair the validity or collectibility of the Assigned Lease;

(f) to the best of Borrower's knowledge, but without duty of inquiry, there are no proceedings or actions which are threatened or pending against any Lessee which might result in any material adverse change in its financial condition.

(g) Borrower shall keep and maintain, at its sole cost and expense, or cause Lessee to keep and maintain the Leased Locomotive Equipment insured under all risk property insurance for the greater of the full insurable value or the full replacement value thereof. All such policies of insurance shall be in the form and with the terms provided in the Loan Agreement;

(h) Borrower shall or shall cause Lessee to keep and maintain the Leased Locomotive Equipment in good operating condition and repair and shall make all necessary replacements thereof and renewals thereto so that the value and operating efficiency thereof shall at all times be maintained and preserved.

(i) The Leased Locomotive Equipment has been delivered to and accepted by each Lessee. No Assigned Lease is in default and each Lessee has promptly made all payments due under its respective Assigned Lease.

(j) Borrower, upon request by Bank and at Borrower's cost and expense, will cause all financing and continuation statements and similar notices required by applicable law at all times to be kept, recorded and filed in such manner and in such places as may be required by law or reasonably requested by the Bank in order to preserve and protect the rights of the Bank in and to the Collateral;

(k) Without Bank's consent, Borrower will not (i) cancel, terminate or surrender any Assigned Lease or schedule or consent to or accept any cancellation, termination or surrender thereof otherwise than as may be provided in the Assigned Lease, (ii) give any consent, waiver or approval to any default or breach under the Assigned Lease, (iii) consent to or permit or accept any prepayment under any Assigned Lease, except as may be expressly provided thereunder, (iv) declare a default or exercise the remedies of the Lessor under any Assigned Lease, including, but not limited to, repossession or consent to the return of any of the Leased Locomotive Equipment, unless, upon such declaration or exercise, Borrower shall pay to Bank the outstanding principal balance, and all accrued interest thereon, advanced by Bank to Borrower with respect to such Assigned Lease, or (v) take any other action (or fail to take any action) in connection with any Leased Locomotive Equipment or Assigned Lease which would impair the interest or rights of Borrower or Bank thereunder or in the Leased Locomotive Equipment.

5. Assigned Leases. On the date hereof and hereafter until this Agreement is terminated, each Assigned Lease shall satisfy the positive covenants of this Agreement and shall not violate the negative covenants of this Agreement. The following lease agreements are not an Assigned Leases:

(a) Assigned Leases under which the Lessee owes Borrower more than three (3) months rent or is in default under the terms of the Assigned Lease and any applicable cure period has expired;

(b) a portion of an Assigned Lease to the extent the Lessee has a deduction, credit, counterclaim or a right of set-off against the Lease;

(c) Assigned Leases with respect to which the Lessee is the subject of bankruptcy or a similar insolvency proceeding or has made an assignment for the benefit of creditors or whose assets have been conveyed to a receiver or trustee;

(d) Assigned Leases as to which Bank, at any time or times hereafter, determines, in good faith, that the prospect of payment or performance by the Lessee is or will be impaired;

(e) Assigned Leases with respect to which Bank's assignment and security interest is not entitled to first priority;

(f) Assigned Leases which have been canceled, terminated or under which the Leased Locomotive Equipment has been surrendered or under which the Lessee has exercised any right to purchase the Leased Locomotive Equipment; or

(g) Assigned Leases if the Leased Locomotive Equipment under such Assigned Lease is lost, stolen, destroyed or otherwise damaged and such loss or damage is not covered by insurance.

Borrower, immediately upon learning thereof, shall notify Bank that an lease agreement is no longer an Assigned Lease. If the Term Loan would then exceed the maximum sum Bank has agreed to loan to Borrower under the Loan Agreement, then, immediately upon demand from Bank, Borrower shall pay to Bank the outstanding principal amount, and any accrued interest, theretofore advanced by Bank to Borrower with respect to such Assigned Lease and Bank shall apply such payment to and on account of Borrower's Liabilities.

6. Possession and Inspection of Collateral. Bank shall retain possession of the original of each Assigned Lease until Borrower's Liabilities are paid in full or otherwise satisfied. All copies of each Assigned Lease retained by Borrower shall be marked "Duplicate." Borrower will permit and will cause the Lessee to permit the Bank to inspect the Leased Locomotive Equipment and to examine Borrower's and Lessee's records pertaining to the Collateral at any reasonable time.

7. Indemnification. Bank is not, and shall not under any circumstances be, obligated to assume, perform, or fulfill any obligation of Borrower as lessor under any Assigned Lease. Borrower will hold harmless and defend Bank from and against any claim by any person arising out of or connected with the use of any Leased Locomotive Equipment, any Assigned Lease and any performance or failure to perform of Borrower of its obligations as lessor.

8. Event of Default. An Event of Default under the Loan Agreement shall be an Event of Default under this Agreement. Bank shall have all of the rights and remedies set forth in the Loan Agreement upon an Event of Default.

9. Duration. This Agreement shall remain in effect from the date first above mentioned until Borrower's Liabilities are paid in full or otherwise satisfied.

10. Assigns. This Agreement and all rights and liabilities hereunder and in and to any and all Collateral shall inure to the benefit of the Bank and its successors and assigns and shall be binding on the Borrower and the Borrower's successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

NATIONAL RAILWAY EQUIPMENT CO.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**  
**ACCEPTANCE AND DELIVERY CERTIFICATE**

EXHIBIT B  
NOTICE TO LESSEE OF ASSIGNMENT OF LEASE



**EXHIBIT C**

**Attached to and Forming a  
Part of Loan and Security  
Agreement Dated as of  
December 18, 1991, By and Between  
LaSalle National Bank and  
National Railway Equipment Co.**

**PRIOR LIENS**

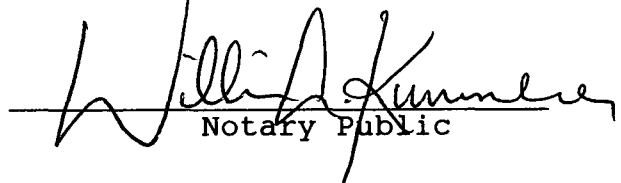
**NONE**

STATE OF ILLINOIS     )  
                                  )  
COUNTY OF COOK        )

LOAN AND SECURITY AGREEMENT

I, the undersigned, a Notary Public in and for said County,  
in the State aforesaid, DO HEREBY CERTIFY, that Lawrence J. Beal,  
as President of National Railway Equipment Co. and Richard F.  
Loritz, as Secretary of National Railway Equipment Co. appeared  
before me this day in person and that they signed, sealed and  
delivered the Loan and Security Agreement as their free and  
voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this 17th day of  
December, 1991.

  
Notary Public

Commission Expires \_\_\_\_\_, 19\_\_

